Council meeting agenda

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

Thursday, December 18, 2025 **10:30 AM** **Metro Regional Center, Council chamber; https://zoom.us/j/615079992 (Webinar ID: 615079992) or 253-205-0468 (toll free), https://www.youtube.com/watch?v=SUB0Ah0vPxQ**

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber. You can join the meeting on your computer or other device by using this link: https://zoom.us/j/615079992 (Webinar ID: 615 079 992)

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. Consent Agenda

3.1 Resolution No. 25-5556 For the Purpose of Confirming the Appointment of Dave Parulo to the Metropolitan Exposition Recreation Commission — RES 25-5556

Attachments: Resolution no. 25-5556
Staff Report
Attachment 1- Washington County Recommendation Letter

3.2 Resolution No. 25-5547 For the Purpose of Confirming the Reappointment of Karis Stoudamire-Phillips, Deidra Krys-Rusoff and David Penilton to the Metropolitan — RES 25-5547

Exposition Recreation Commission

Attachments: Resolution No. 25-5547
Staff Report

3.3 Resolution No. 25-5543 For the Purpose of Adding, Amending, or Canceling Four Projects to the 2024-27 MTIP to Meet Federal Project Delivery Requirements — RES 25-5543

Attachments: Resolution No. 25-5543
Exhibit A
Staff Report
Attachment 1- Public Comment Period Summary

3.4 Consideration of the November 13, 2025 Council Meeting Minutes — 26-6417

Attachments: November 13, 2025 Council Meeting Minutes

3.5 Consideration of the November 20, 2025 Council Meeting Minutes — 25-6415

Attachments: November 20, 2025 Council Meeting Minutes

3.6 Consideration of the December 4, 2025 Council Meeting Minutes — 26-6418

Attachments: December 4, 2025 Council Meeting Minutes

4. Presentations

4.1 Supportive Housing Services Follow-Up Audit — 25-6396

Presenter(s): Brian Evans (he/him), Metro Auditor

Attachments: Supportive Housing Services Follow-Up Audit
Supportive Housing Services Follow-Up Audit Highlights

5. Resolutions

5.1 Resolution No. 25-5541 For the Purpose of Metro Council's Acceptance of the Results of the Independent Audit for Financial Activity During Fiscal Year Ending June 30, 2025 — RES 25-5541

Presenter(s): Brian Evans (he/him), Metro Auditor
Brian Kennedy (he/him), Chief Financial Officer
Ashley Osten (she/her), Principal, Baker Tilly

Attachments: Resolution No. 25-5541
Exhibit A
Exhibit B
Staff Report

5.2 Resolution No. 25-5525 For the Purpose of Renewing City of Roses Disposal & Recycling, Inc's Solid Waste Facility Franchise to Operate a Transfer Station RES 25-5525

Presenter(s): Hila Ritter (she/her) Standards and Compliance Manager, WPES
Lisa Clark (she/her) Senior Solid Waste Planner, WPES

Attachments: Resolution No. 25-5525
Exhibit A
Exhibit B
Staff Report
Attachment 1 - Public Comment Report

5.3 Resolution No. 25-5535 For the Purpose of Adopting the 2025 Regional Housing Coordination Strategy RES 25-5535

Presenter(s): Emily Lieb (she/her), Housing Department Policy Director
Eryn Kehe (she/her), Urban Policy and Development Manager

Attachments: Resolution No. 25-5535
Exhibit A
Appendix 1 - Household Demographic and Socioeconomic Character
Appendix 2 - Opportunity Maps
Appendix 3 - Market Conditions and Barriers to Housing Developme
Appendix 4 - Evaluation of RHCS Actions
Appendix 5 - Review of Past Housing Actions Taken by Metro
Appendix 6 - Equitable Engagement Summary
Appendix 7 - Full List of RHCS Action Ideas
Staff Report

5.4 Resolution No. 25-5557 For the Purpose of Establishing a Framework for Regional Action to Mitigate the Impacts of Federal Funding Cuts and Federal Enforcement Actions on Metro Residents RES 25-5557

Presenter(s): Marissa Madrigal (she/her), Chief Operating Officer

Attachments: Resolution No. 25-5557
Staff Report

6. Ordinances (Second Reading)

6.1 Ordinance No. 25-1535 For the Purpose of Amending Metro Code Chapters 3.07 and 3.09 to Make Housekeeping Updates, Modernize Public Notice Methods, Incorporate Plain Language Best Practices, and Implement New Statutory Metro District Annexation Requirements ORD 25-1535

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

Attachments: Ordinance No. 25-1535
Exhibit A
Exhibit B
Staff Report
Attachment 1 - Summaries of Amendments
Attachment 2 - House Bill 2356 of the 2024 Legislative Session

7. Chief Operating Officer Communication

8. Councilor Communication

9. Adjourn to Executive Session

This meeting will adjourn to Executive Session pursuant to ORS 192.660(2)(h) to consult with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

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

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January 2021

Agenda #: 3.1

File #: RES 25-5556 **Agenda Date:**12/18/2025

Resolution No. 25-5556 For the Purpose of Confirming the Appointment of Dave Parulo to the Metropolitan Exposition Recreation Commission

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE APPOINTMENT OF DAVE PARULO TO THE METROPOLITAN EXPOSITION RECREATION COMMISSION	)))	RESOLUTION NO. 25-5556 Introduced by Council President Lynn Peterson

WHEREAS, the Metro Code, Section 6.01.030(a) provides that the Metro Council President shall appoint all members to the Metropolitan Exposition Recreation Commission ("the Commission"); and

WHEREAS, the Metro Code, Section 6.01.030(b) provides that the Metro Council President's appointments to the Commission are subject to confirmation by the Metro Council; and

WHEREAS, pursuant to Metro Code, Section 6.01.030(d)(1) Washington County has nominated Dave Parulo for appointment on the Commission; and

WHEREAS, pursuant to Metro Code, Section 6.01.030(d)(1), the Metro Council President has the authority to concur with Washington County's nomination of Dave Parulo or reject it; and

WHEREAS, the Metro Council President has concurred with Washington County's nomination of Mr. Parulo and submitted the appointment of Dave Parulo to the Metro Council for confirmation; and

WHEREAS, the Metro Council finds that Dave Parulo has the experience and expertise to make a substantial contribution to the Commission's work; now therefore

BE IT RESOLVED that the Metro Council hereby confirms the Council President's appointment of Dave Parulo as a member of the Metropolitan Exposition Recreation Commission, commencing on January 01, 2026, through December 31, 2030.

ADOPTED by the Metro Council on this 18th day of December 2025.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 25-5556, FOR THE PURPOSE OF CONFIRMING THE APPOINTMENT OF DAVE PARULO TO THE METROPOLITAN EXPOSITION RECREATION COMMISSION

Date: December 18, 2025 Prepared by: Craig Stroud
General Manager, Visitor Venues

BACKGROUND

The Metro Code, Section 6.01.030(a), gives the Metro Council President sole authority to appoint all members of the Metropolitan Exposition Recreation Commission, subject to confirmation by the Council. Section 6.01.030 (d)(1) of the Code allows Washington County to nominate a candidate for appointment for the Council President's consideration. Under Section 6.01.030(e)(1) of the Metro Code, the Metro Council President has the authority to concur with Washington County's nomination and submit it to the Council for confirmation or reject it.

The Washington County Commission has nominated Dave Parulo for appointment on the Commission. The Council President has concurred with this nomination and accordingly submitted her appointment of Dave Parulo to the Metro Council for confirmation. If confirmed, Mr. Parulo will, pursuant to the Metro Code, serve a 4-year term beginning January 01, 2026, through December 31, 2030.

ANALYSIS/INFORMATION

- **Known Opposition. None**
- **Legal Antecedents.** Metro Code as referenced above.
- **Anticipated Effects.** Appointment of Dave Parulo to the Metropolitan Exposition Recreation Commission, in the manner provided by the Metro Code.
- **Budget Impacts.** None

RECOMMENDED ACTION

The Metro Council President recommends approval of Resolution 25-5556, to confirm the appointment of Dave Parulo to the Metropolitan Exposition Recreation Commission for a four-year term beginning on January 1, 2026, and ending December 31, 2030.

ATTACHEMENTS

A. Washington County recommendation letter

WASHINGTON COUNTY
OREGON

December 9, 2025

Council President Lynn Peterson; Metro Council
VIA EMAIL
Re: Washington County seat on the MERC

Dear Metro Council President and Councilors:

The Washington County Board of Commissioners is reaching out to recommend Dave Parulo, the President and CEO of Explore Tualatin Valley, to replace the retired Deanna Palm on the Metropolitan Exposition Recreation Commission (MERC).

Since Mr. Parulo has joined Explore Tualatin Valley in 2021, he has worked to develop deep understanding of the advantages of bringing more tourism and visitors to the region, not just making the Tualatin Valley a place for day trips, but highlighting the opportunities when people visit and stay in the region. This perspective will bring benefits to the MERC as it focuses on the Metro run venues and opportunities to expand the opportunities for all types of events.

Mr. Parulo's career has taken him across the nation, with accolades for his work in developing strategies to market regions to visitors. His work in the hospitality industry will also help with the decision-making and policy development across the broad portfolio of spaces that the MERC is tasked with supporting and developing.

The event spaces that the MERC provides oversight to are vital pieces to the regional economy, bringing people into the region for events and entertainment. Bring people into region bolsters the reputation and opportunities for visiting throughout the region, and supporting the MERC's work is key to continuing to see tourism impact our communities.

Acknowledging the important and dedicated work of Deanna Palm in representing the Washington County perspective at the MERC, we enthusiastically endorse Dave Parulo for the Washington County seat on the MERC upon her retirement. We know he will continue to work in partnership with the region in this role.

Respectfully,



Kathryn Harrington
Chair, on behalf of the Washington Board of County Commissioners

Board of County Commissioners
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Metro

Agenda #: 3.2

File #: RES 25-5547 **Agenda Date:**12/18/2025

Resolution No. 25-5547 For the Purpose of Confirming the Reappointment of Karis Stoudamire-Phillips, Deidra Krys-Rusoff and David Penilton to the Metropolitan Exposition Recreation Commission

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE REAPPOINTMENT OF KARIS STOUDAMIRE-PHILLIPS, DEIDRA KRYS-RUSOFF, AND DAVID PENILTON TO THE METROPOLITAN EXPOSITION RECREATION COMMISSION	)))	RESOLUTION NO. 25-5547 Introduced by Council President Lynn Peterson

WHEREAS, the Metro Code, Section 6.01.030(a) provides that the Metro Council President shall appoint all members to the Metropolitan Exposition Recreation Commission ("the Commission); and

WHEREAS, the Metro Code, Section 6.01.030(b) provides that the Metro Council President's appointments to the Commission are subject to confirmation by the Metro Council; and

WHEREAS, pursuant to Metro Code, Section 6.01.030(d)(3), the Metro Council President has nominated Karis Stoudamire-Phillips and Deidra Krys-Rusoff for reappointment and reappointed Karis Stoudamire-Phillips and Deidra Krys-Russoff to the Commission subject to Metro Council confirmation; and

WHEREAS, pursuant to Metro Code, Section 6.01.030(d)(1), Clackamas County has nominated David Penilton for reappointment to the Commission and the Metro Council President has reappointed David Penilton to the Commission subject to Metro Council confirmation; and

WHEREAS, the Metro Council President hereby submits her reappointment of Karis Stoudamire-Phillips, Deidra Krys-Rusoff, and David Penilton to the Metro Council for confirmation; and

WHEREAS, the Metro Council finds that Karis Stoudamire-Phillips, Deidra Krys-Rusoff, and David Penilton have the experience and expertise to make a substantial contribution to the Commission's work; now therefore

BE IT RESOLVED that the Metro Council hereby confirms the Metro Council President's reappointment of Karis Stoudamire-Phillips, Deidra Krys-Rusoff, and David Penilton as members of the Metropolitan Exposition Recreation Commission, for a 4-year term as provided by the Metro Code, commencing on January 1, 2026 through December 31, 2030.

ADOPTED by the Metro Council this 18th day of December 2025.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 25-5547 FOR THE PURPOSE OF CONFIRMING THE REAPPOINTMENT OF KARIS STOUDAMIRE-PHILLIPS, DEIDRA KRYS-RUSOFF, AND DAVID PENILTON TO THE METROPOLITAN EXPOSITION RECREATION COMMISSION.

Date: December 18, 2025 Prepared by: Craig Stroud, General Manager, Visitor Venues

BACKGROUND

The Metro Code, Sections 6.01.030(a) and (b), grants the Metro Council President sole authority to appoint all members of the Metropolitan Exposition Recreation Commission (the Commission), subject to confirmation by the Metro Council. Section 6.01.030 (d) (1) of the Code provides that Clackamas County shall nominate one MERC Commissioner and Section 6.01.030(d)(3) grants the Metro Council President the power to appoint two candidates. The Metro Council President has reappointed Karis Stoudamire-Phillips and Deidra Krys-Rusoff to the Commission and reappointed David Penilton to the Commission based upon Clackamas County's nomination of him for this position.

ANALYSIS/INFORMATION

- **Known Opposition. None**
- **Legal Antecedents.** Metro Code as referenced above.
- **Anticipated Effects.** Reappointment of Karis Stoudamire-Phillips, Deidra Krys-Rusoff, and David Penilton to the Metropolitan Exposition Recreation Commission, in the manner provided by the Metro Code for a new four year term.
- **Budget Impacts.** None

RECOMMENDED ACTION

The Metro Council President recommends approval of Resolution 25-5547 to confirm the reappointment of Karis Stoudamire-Phillips, Deidra Krys-Rusoff, and David Penilton to the Metropolitan Exposition Recreation Commission for a four-year term beginning on January 1, 2026 and ending December 31, 2030.

600 NE Grand Ave.
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oregonmetro.gov

Metro

Agenda #: 3.3

File #: RES 25-5543 **Agenda Date:**12/18/2025

Resolution No. 25-5543 For the Purpose of Adding, Amending, or Canceling Four Projects to the 2024-27 MTIP to Meet Federal Project Delivery Requirements

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADDING, AMENDING, OR CANCELING FOUR PROJECTS TO THE 2024-27 MTIP TO MEET FEDERAL PROJECT DELIVERY REQUIREMENTS	))))))	RESOLUTION NO. 25-5543 Introduced by: Chief Operating Officer Marissa Madrigal in concurrence with Council President Lynn Peterson

WHEREAS, the Metropolitan Transportation Improvement Program (MTIP) prioritizes projects from the Regional Transportation Plan (RTP) to receive transportation-related funding; and

WHEREAS, the U.S. Department of Transportation (USDOT) requires federal funding for transportation projects located in a metropolitan area to be programmed in an MTIP; and

WHEREAS, in July 2023, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council approved Resolution No. 23-5335 to adopt the 2024-27 MTIP; and

WHEREAS, the 2024-27 MTIP includes Metro approved RTP and federal performance-based programming requirements and demonstrates compliance and further progress towards achieving the RTP and federal performance targets; and

WHEREAS, pursuant to the USDOT MTIP amendment submission rules, JPACT and the Metro Council must approve any subsequent amendments to the MTIP to add new projects or substantially modify existing projects; and

WHEREAS, the Washington State Department of Transportation (WSDOT) and ODOT identified a Preservation Program funding shortfall on the joint I-205 Glenn Jackson Bridge pavement rehabilitation project and are requesting amendments to this project; and

WHEREAS, the formal amendment cancels the planning and construction phases, and changes obligation year for preliminary engineering phase to federal fiscal year 2027 to the I-205 Glenn Jackson Bridge pavement rehabilitation project; and

WHEREAS, the preliminary engineering phase for I-205 Glenn Jackson Bridge pavement rehabilitation project will increase to $2,202,000 of National Highway Performance Program funds; and

WHEREAS, in June 2023, the Metro Council approved Resolution 23-5337 directing TransPort, the subcommittee of the Transportation Policy Alternatives Committee, to sub-allocate $3 million of federal Carbon Reduction Program funds towards Transportation System Management and Operations projects; and

WHEREAS, TransPort, during their October 8, 2025, meeting, recommended allocating federal Carbon Reduction Program for seven existing MTIP projects; and

WHEREAS, the formal amendment cancels the Carbon Reduction Program Reserve project from the MTIP and SITP to distribute $3,000,000 CRP federal funds among seven MTIP projects, five of which will be administratively modified; and

WHEREAS, the Portland Traffic Signal Performance Measures Development & Eval project from the 2021-2026 MTIP will be programmed in the 2024-2027 MTIP with an additional $224,325 of CRP federal funds; and

WHEREAS, the Portland Local Traffic Signal Controller Replacement Phase 2 project will be amended to program an additional $924,219 of CRP federal funds to the other phase; and

WHEREAS, the programming updates to the four projects are stated in Exhibit A to this resolution; and

WHEREAS, on November 7, 2025, Metro's Transportation Policy and Alternatives Committee recommended that JPACT approve this resolution; and

WHEREAS, on December 18, 2025, JPACT approved and recommended the Metro Council adopt this resolution; now therefore

BE IT RESOLVED that the Metro Council adopts this resolution to add, amend or cancel the four projects as stated within Exhibit A to the 2024-27 Metropolitan Transportation Improvement Program to meet federal project delivery requirements.

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

_____
Lynn Peterson, Council President

Approved as to Form:

_____
Carrie MacLaren, Metro Attorney

Exhibit A
November 2025 (FFY 2026), Formal/Full MTIP Amendment Summary
Formal Amendment #: NV26-02-NOV

The November 2025 (FFY 2026) MTIP Formal Amendment includes four projects. A summary of the projects is shown below:

Amend the I-205: Glenn Jackson Bridge (Columbia River) project: The formal amendment cancels the planning and construction phase, and the preliminary engineering phase is being moved from FFY 2026 to 2027. Programming changes in preliminary engineering phase include removing $1,001,000 of 'Other' funds from WSDOT, and increasing the National Highway Performance Program (NHPP) funds to $2,202,000.

Cancel the Carbon Reduction Program Reserve project: The formal amendment is to cancel project to distribute programmed CRP funds among seven MTIP projects (ODOT Keys; 23628, 22531, 23586, 23584, 23581, 22134, 22135), as approved for recommendation by TransPort in its October 8, 2025 subcommittee meeting.

Add Portland Traffic Signal Performance Measures Development & Evaluation project: The formal amendment will add the project to the 2024-2027 MTIP with an additional $224,325 of CRP Federal funds in FFY 2026.

Amend the Portland Local Traffic Signal Controller Replacement Phase 2 project: The formal amendment is for funding increase to program an additional $924,219 of CRP Federal funds in FFY 2026.

Exhibit A Table (MTIP Worksheets) are included as part of the staff report amendment bundle and contain the specific project changes for the FFY 2026 November MTIP Formal Amendment. A short summary of the project changes follows on the next pages.

2024-2027 Metropolitan Transportation Improvement Program **Exhibit A to Resolution 25-5543** **November 2025 (FFY 2026) Formal Amendment Bundle Contents** **Amendment Type: Formal/Full** **Amendment #: NV26-02-NOV** **Total Number of Projects: 4**				
Key Number & MTIP ID	**Lead Agency**	**Project Name**	**Project Description**	**Amendment Action**
Category: Amending Existing Projects in the 2024-2027 MTIP:				
(#1) ODOT Key # **23067** MTIP ID 71367	**ODOT**	**I-205: Glenn Jackson Bridge (Columbia River)**	Repair travel surface wheel rutting to prevent standing water and vehicle hydroplaning. Replace the bridge joint seals	**CANCEL PHASE/SLIP PHASE/ADJUST FUNDS:** This formal amendment cancels the planning and construction phase, and the preliminary engineering phase is being moved from FFY 2026 to 2027. Programming changes in preliminary engineering phase include removing $1,001,000 of 'Other' funds from WSDOT, and increasing the NHPP funds to $2,202,000.
TSMO Carbon Reduction Program Funding				
Category: Projects Being Canceled through the Formal Amendment				
(#2) ODOT Key # **23239** MTIP ID 71331	Metro	**Carbon Reduction Program Reserve**	Funding to focus on transportation activities to reduce the emissions of carbon and greenhouse gases from transportation sources.	**CANCEL PROJECT:** The formal amendment cancels the project to distribute programmed CRP funds among seven MTIP projects (ODOT Keys; 23628, 22531, 23586, 23584, 23581, 22134, 22135), as approved for recommendation by TransPort in their its October 8, 2025 subcommittee meeting.

Subcategory: Adding New Projects to the 2024-2027 MTIP				
(#3) ODOT Key # **22531** MTIP ID 71254	Portland	**Portland Traffic Signal Performance Measures Development & Eval**	Across Portland develop and validate new required Automated Traffic Signal Performance Measures (ATSPM) supporting traffic signal controllers to evaluate signal performance providing motorists improved mobility efficiency and safety.	**ADD NEW PROJECT:** This project was previously programmed in the 2021-2026 MTIP. The formal amendment will add the project to the 2024-2027 MTIP with an additional $ 224,325 of CRP Federal funds in FFY 2026.

Category: Amending Existing Projects in the 2024-2027 MTIP:				
(#4) ODOT Key # **23584** MTIP ID 71407	Portland	**Portland Local Traffic Signal Controller Replacement Phase 2**	Purchase and install up to 160 Advance Transportation Controllers (ATC) for PBOT and 79 for the city of Gresham and Multnomah County at selected signalized locations to improve the reliability of signal communications and pedestrian safety at intersections.	**INCREASE FUNDING:** The formal amendment will program an additional $924,219 of CRP Federal funds

Proposed Amendment Review and Approval Steps	
November 2025 (FFY 2026) Formal Amendment estimated processing and approval timing	
Date	**Action**
Tuesday, November 4, 2025	Post amendment & begin 30-day notification/comment period. (Comment period is November 4, 2025, to December 3, 2025.)
Friday, November 7, 2025	Metro Transportation Policy Alternative Committee (TPAC) – Amendment overview, and seeking an approval recommendation to JPACT
Thursday, December 18, 2025	JPACT Meeting – Amendment approval consideration.
Thursday, December 18, 2025	Metro Council Meeting – Final Metro amendment approval request.
Mid-February 2026	Estimated final FHWA MTIP amendment approval and inclusion in the approved STIP completed.

71331 - Carbon Reduction Program Reserve

ODOT Key	RTP ID	RFFA ID	Lead Agency
23239	12351	50440	Metro

Project Type	System Investment Type	Total Cost
Roadway	System Management & ITS	$0

Project Description
Funding to focus on transportation activities to reduce the emissions of carbon and greenhouse gases from transportation sources.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Total Programmed		-	-	-	-	-	-	-

Previously Approved Amendment 71331 - Carbon Reduction Program Reserve

ODOT Key	RTP ID	RFFA ID	Lead Agency
23239	12351	50440	Metro

Project Type	System Investment Type	Total Cost
Roadway	System Management & ITS	$3,343,363

Project Description
Funding to focus on transportation activities to reduce the emissions of carbon and greenhouse gases from transportation sources.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Other	Carbon Reduction Program	-	-	-	-	$3,000,000	-	$3,000,000
Other	Local Match	-	-	-	-	$343,363	-	$343,363
Total Other		-	-	-	-	$3,343,363	-	$3,343,363
Total Programmed		**-**	**-**	**-**	**-**	**$3,343,363**	**-**	**$3,343,363**

CURRENT CHANGE REASON	Project Removed
PROJECT CHANGES	Plan Revision Name changed from "AM25-21-JUN2" to "NV26-02-NOV"
FUNDING CHANGES	**Carbon Reduction Program** - Decrease funds in FY 2027 in OT from $3,000,000 to $0 **Local Match** - Decrease funds in FY 2027 in OT from $343,363 to $0
FEDERAL PROJECT COST	Decreased from $3,000,000 to $0 (-100%)
TOTAL PROJECT COST	Decreased from $3,343,363 to $0 (-100%)

71367 - I-205: Glenn Jackson Bridge (Columbia River)

ODOT Key
23067

RTP ID
12094

RFFA ID
-

Lead Agency
Oregon DOT

Project Type
Highway

System Investment Type
Maintenance & Preservation

Total Cost
$2,202,000

Project Description
Repair travel surface wheel rutting to prevent standing water and vehicle hydroplaning. Replace the bridge joint seals.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Preliminary Engineering	Local Match	-	-	-	$171,316	-	-	$171,316
Preliminary Engineering	NHPP	-	-	-	$2,030,684	-	-	$2,030,684
Total Preliminary Engineering		-	-	-	$2,202,000	-	-	$2,202,000
Total Programmed		**-**	**-**	**-**	**$2,202,000**	**-**	**-**	**$2,202,000**

Previously Approved Amendment 71367 - I-205: Glenn Jackson Bridge (Columbia River)

ODOT Key
23067

RTP ID
12094

RFFA ID
-

Lead Agency
Oregon DOT

Project Type
Highway

System Investment Type
Maintenance & Preservation

Total Cost
$10,244,000

Project Description
Repair travel surface wheel rutting to prevent standing water and vehicle hydroplaning. Replace the bridge joint seals.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Planning	Local Match	-	-	$7,780	-	-	-	$7,780
Planning	NHPP	-	-	$92,220	-	-	-	$92,220
Planning	Other	-	-	$100,000	-	-	-	$100,000
Total Planning		-	-	$200,000	-	-	-	$200,000
Preliminary Engineering	Local Match	-	-	-	$77,878	-	-	$77,878
Preliminary Engineering	NHPP	-	-	-	$923,122	-	-	$923,122
Preliminary Engineering	Other	-	-	-	$1,001,000	-	-	$1,001,000
Total Preliminary Engineering		-	-	-	$2,002,000	-	-	$2,002,000
Construction	HB2017	-	-	-	-	$312,834	-	$312,834
Construction	NHPP	-	-	-	-	$3,708,166	-	$3,708,166
Construction	Other	-	-	-	-	$4,021,000	-	$4,021,000
Total Construction		-	-	-	-	$8,042,000	-	$8,042,000
Total Programmed		**-**	**-**	**$200,000**	**$2,002,000**	**$8,042,000**	**-**	**$10,244,000**

CURRENT CHANGE REASON	Schedule / Funding / Scope- Update Adjust funds (FA) - Cancel Phase (FA) - Change fund type (FA) - Slip Phase (FA)
PROJECT CHANGES	Plan Revision Name changed from "End of Year 24" to "NV26-02-NOV"
FUNDING CHANGES	**NHPP** - Decrease funds in FY 2025 in PL from $92,220 to $0 **Local Match** - Decrease funds in FY 2025 in PL from $7,780 to $0 **Other** - Decrease funds in FY 2025 in PL from $100,000 to $0 **NHPP** + Increase funds in FY 2026 in PE from $923,122 to $2,030,684 **Local Match** + Increase funds in FY 2026 in PE from $77,878 to $171,316 **Other** - Decrease funds in FY 2026 in PE from $1,001,000 to $0 **NHPP** - Decrease funds in FY 2027 in CN from $3,708,166 to $0 **HB2017** - Decrease funds in FY 2027 in CN from $312,834 to $0 **Other** - Decrease funds in FY 2027 in CN from $4,021,000 to $0
FEDERAL PROJECT COST	Decreased from $4,723,508 to $2,030,684 (-57.01%)
TOTAL PROJECT COST	Decreased from $10,244,000 to $2,202,000 (-78.50%)

71254 - Portland Traffic Signal Performance Measures Development & Eval

ODOT Key	RTP ID	RFFA ID	Lead Agency
22531	11104	-	Portland

Project Type	System Investment Type	Total Cost
Other	System Management & ITS	$940,000

Project Description
Across Portland develop and validate new required Automated Traffic Signal Performance Measures (ATSPM) supporting traffic signal controllers to evaluate signal performance providing motorists improved mobility efficiency and safety.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Other	Carbon Reduction Program	-	-	-	$224,325	-	-	$224,325
Other	Local Match	$70,863	-	-	$25,675	-	-	$96,538
Other	STBG - Urban	$619,137	-	-	-	-	-	$619,137
Total Other		$690,000	-	-	$250,000	-	-	$940,000
Total Prior Costs		**$690,000**	**-**	**-**	**-**	**-**	**-**	**$690,000**
Total Programmed		**$690,000**	**-**	**-**	**$250,000**	**-**	**-**	**$940,000**

Previously Approved Amendment 71254 - Portland Traffic Signal Performance Measures Development & Eval

ODOT Key	RTP ID	RFFA ID	Lead Agency
22531	11104	-	Portland

Project Type	System Investment Type	Total Cost
Other	System Management & ITS	$690,000

Project Description
Across Portland develop and validate new required Automated Traffic Signal Performance Measures (ATSPM) supporting traffic signal controllers to evaluate signal performance providing motorists improved mobility efficiency and safety.

PHASE	FUND SOURCE	PRIOR	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FUTURE	TOTAL
Other	Local Match	-	-	-	$70,863	-	-	-	-	$70,863
Other	STBG - Urban	-	-	-	$619,137	-	-	-	-	$619,137
Total Other		-	-	-	$690,000	-	-	-	-	$690,000
Total Programmed		**-**	**-**	**-**	**$690,000**	**-**	**-**	**-**	**-**	**$690,000**

CURRENT CHANGE REASON	Schedule / Funding / Scope- Update Add Project
PROJECT CHANGES	Plan Revision Name changed from "21-Import" to "NV26-02-NOV"
FUNDING CHANGES	**Carbon Reduction Program** + Increase funds in FY 2026 in OT from $0 to $224,325 **Local Match** + Increase funds in FY 2026 in OT from $0 to $25,675
FEDERAL PROJECT COST	Increased from $619,137 to $843,462 (36.23%)
TOTAL PROJECT COST	Increased from $690,000 to $940,000 (36.23%)

71407 - Portland Local Traffic Signal Controller Replacement Phase 2

ODOT Key	RTP ID	RFFA ID	Lead Agency
23584	11104	-	Portland

Project Type	System Investment Type	Total Cost
Other	System Management & ITS	$2,800,700

Project Description

Purchase and install up to 160 Advance Transportation Controllers (ATC) for PBOT and 79 for the city of Gresham and Multnomah County at selected signalized locations to improve the reliability of signal communications and pedestrian safety at intersections.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Other	Carbon Reduction Program	-	-	-	$924,219	-	-	$924,219
Other	Local Match	-	-	$181,851	$105,781	-	-	$287,632
Other	STBG - Urban	-	-	$1,588,849	-	-	-	$1,588,849
Total Other		-	-	$1,770,700	$1,030,000	-	-	$2,800,700
Total Programmed		**-**	**-**	**$1,770,700**	**$1,030,000**	**-**	**-**	**$2,800,700**

Previously Approved Amendment 71407 - Portland Local Traffic Signal Controller Replacement Phase 2

ODOT Key	RTP ID	RFFA ID	Lead Agency
23584	11104	-	Portland

Project Type	System Investment Type	Total Cost
Other	System Management & ITS	$1,770,700

Project Description

Purchase and install up to 160 Advance Transportation Controllers (ATC) for PBOT and 79 for the city of Gresham and Multnomah County at selected signalized locations to improve the reliability of signal communications and pedestrian safety at intersections.

PHASE	FUND SOURCE	PRIOR	FY2024	FY2025	FY2026	FY2027	FUTURE	TOTAL
Other	Local Match	-	-	$181,851	-	-	-	$181,851
Other	STBG - Urban	-	-	$1,588,849	-	-	-	$1,588,849
Total Other		-	-	$1,770,700	-	-	-	$1,770,700
Total Programmed		**-**	**-**	**$1,770,700**	**-**	**-**	**-**	**$1,770,700**

CURRENT CHANGE REASON	Schedule / Funding / Scope- Update Cost and Funding Increase - Major
PROJECT CHANGES	Plan Revision Name changed from "End of Year 24" to "NV26-02-NOV"
FUNDING CHANGES	**Carbon Reduction Program** + Increase funds in FY 2026 in OT from $0 to $924,219 **Local Match** + Increase funds in FY 2026 in OT from $0 to $105,781
FEDERAL PROJECT COST	Increased from $1,588,849 to $2,513,068 (58.17%)
TOTAL PROJECT COST	Increased from $1,770,700 to $2,800,700 (58.17%)

IN CONSIDERATION OF RESOLUTION NO. 25-5543, FOR THE PURPOSE OF ADDING, AMENDING, OR CANCELING FOUR PROJECTS TO THE 2024-27 MTIP TO MEET FEDERAL PROJECT DELIVERY REQUIREMENTS

Date: December 1, 2025
Department: Planning, Development and Research
Meeting Date: December 18, 2025

Prepared by: Gabriela Lopez
Presenter: Jean Senechal Biggs
Length: N/A (Consent Agenda)

ISSUE STATEMENT

The November 2025 (FFY 2026) Metropolitan Transportation Improvement Program (MTIP) Formal Amendment contains the following programming changes:

- Amends the I-205: Glenn Jackson Bridge (Columbia River) project
- Cancels the Carbon Reduction Program Reserve
- Adds the Portland Traffic Signal Performance Measures Development & Eval project
- Amends the Portland Local Traffic Signal Controller Replacement Phase 2 project

Resolution No. 25-5543 authorizes the proposed MTIP Formal Amendment. The following pages provide additional details on the projects and the proposed programming changes.

ACTION REQUESTED

Adopt Resolution 25-5543 to add, amend or cancel the four projects as stated within Exhibit A to the 2024-27 MTIP to meet federal project delivery requirements.

IDENTIFIED POLICY OUTCOMES

Advancement of the 2023 Regional Transportation Plan (RTP) investment priorities of equitable transportation, climate action and resilience, safe system, mobility options, and thriving economy.

POLICY QUESTION(S)

- Should the Metro Council approve the resolution to move forward with proposed MTIP project amendments as recommended by JPACT?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

The Joint Policy Advisory Committee on Transportation (JPACT) is scheduled to consider recommending approval of Resolution 25-5543 to the Metro Council in the early morning of December 18, 2025.

Should JPACT recommend approval, the Metro Council will consider adopting Resolution 25-5543 at its meeting on December 18, 2025.

- If the Metro Council adopts the resolution, the required programming actions will be completed for the four projects in the November 2025 (FFY 2026) Formal Amendment.
- If the Metro Council does not adopt the resolution, the required programming actions will not be completed, the projects will not move forward with next steps, and the amendment will return to JPACT for further consideration.

STAFF RECOMMENDATIONS

Metro staff recommend approval of Resolution 25-5543.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

1. **Metro's Strategic Framework or Core Mission:** The 2024-2027 MTIP follows transportation policy established in the development of the 2023 RTP. Projects programmed in the MTIP must be consistent with the RTP to ensure federal requirements are met.

2. **Metro's racial equity and climate action goals:** Equitable Transportation and Climate Action are goals in the 2023 RTP. Approval of this amendment will allocate Carbon Reduction Program federal formula funds to allow for delivery and expansion of scope for Transportation Systems Management & Operations MTIP projects.

3. **Known Opposition/Support/Community Feedback:** The agencies leading the projects included in this amendment support the proposed programming changes. The 30-day public comment period closes on December 3, 2025, and staff will deliver the results to JPACT and Metro Council prior to consideration and action.

4. **Legal Antecedents:**
    a. Amends the 2024-27 Metropolitan Transportation Improvement Program adopted by Metro Council Resolution 23-5335 on July 20, 2023 (FOR THE PURPOSE OF ADOPTING THE 2024-2027 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM FOR THE PORTLAND METROPOLITAN AREA)

    b. Oregon Governor approval of the 2024-27 MTIP on September 13, 2023.

    c. 2024-2027 Statewide Transportation Improvement Program (STIP) Approval and 2024 Federal Planning Finding on September 25, 2023.

5. **Anticipated Effects:** Enables the new and amended projects to be added or canceled to the MTIP and STIP. Fund obligation and expenditure actions can then occur to meet federal delivery requirements.

6. **Financial Implications:** There are no impacts to the Metro budget. None of the new or amended projects are in the Metro budget. The projects will be delivered by the Oregon Department of Transportation (ODOT), the Washington State Department of Transportation (WSDOT), and the City of Portland.

BACKGROUND

The 2024-2027 MTIP is a program implementation tool. It includes an investment profile and performance analysis of the progress expected toward the 2023 RTP's regionally significant transportation investments. The MTIP must accurately maintain project information throughout the life of a project, from initial award/allocation to funding obligation and through all phases of project delivery. If a change emerges to a project's scope, schedule or budget, the MTIP may need to be amended to reflect the change. As new federally funded and regionally significant projects emerge and are funded, the MTIP is amended to include the projects.

Category: Amending Existing MTIP/STIP Programmed Projects:

The formal amendment includes one existing programmed project which requires the cancelation of the planning and construction phase, slipping the PE phase by one year, and changes in fund type

Project Number: 1	**Key Number: 23067**	**Status: Existing Project**
Project Name:	**I-205: Glenn Jackson Bridge (Columbia River)**	
Lead Agency:	ODOT & WSDOT	
Description:	Repair travel surface wheel rutting to prevent standing water and vehicle hydroplaning. Replace the bridge joint seals	
Funding Summary:	The project is jointly funded between ODOT and WSDOT. Total programming is $10,244,000.	
Added Notes:	Project was considered in the September 2025 (FFY 2026) formal amendment as a project cancelation but was removed from the amendment by JPACT to allow additional programming coordination to occur between ODOT and WSDOT. The need for a formal amendment is due to WSDOT indicating that they currently lack sufficient Preservation Program funds to provide their 50% contribution based on the current schedule. This formal amendment cancels the planning and construction phase, and the preliminary engineering phase is being moved from FFY 2026 to 2027. Programming changes in preliminary engineering phase include removing $1,001,000 of 'Other' funds from WSDOT, and increasing the National Highway Performance Program funds to $2,202,000 in the MTIP and STIP.	

Category: TSMO Carbon Reduction Program Funding

The formal amendment includes three projects that pertain to the Transportation System Management and Operations (TSMO) Carbon Reduction Program Funding recommendation by TransPort, a subcommittee of the Transportation Policy Alternatives Committee (TPAC), during its October 8, 2025 meeting.

Seven existing MTIP projects were recommended for the federal Carbon Reduction Program (CRP) funds, with two projects requiring a formal amendment and five projects administratively modified in the October Admin Mod #2.

The Carbon Reduction Program Reserve project (Key 23239), which has the available Carbon Reduction Program funding balance from the 2024-2027 MTIP will be canceled due to reprogramming of funding.

Cancelling Existing MTIP/STIP Projects :

Project Number: 2	**Key Number: 23239**	**Status: Canceled Project**
Project Name:	**Carbon Reduction Program Reserve**	
Lead Agency:	Metro	
Description:	Funding to focus on transportation activities to reduce the emissions of carbon and greenhouse gases from transportation sources.	
Funding Summary:	Project is currently programmed with $3,000,000 of Carbon Reduction Program federal funds.	
Added Notes:	Project is being canceled from MTIP and STIP to distribute programmed CRP funds among MTIP projects (ODOT Keys; 23628, 22531, 23586, 23584, 23581, 22134, 22135), as approved for recommendation by TransPort during its October 8, 2025 meeting.	

Adding New MTIP/STIP Projects:

Project Number: 3	**Key Number: 22531**	**Status: New Project**
Project Name:	**Portland Traffic Signal Performance Measures Development & Eval**	
Lead Agency:	Portland	
Description:	Across Portland develop and validate new required Automated Traffic Signal Performance Measures (ATSPM) supporting traffic signal controllers to evaluate signal performance providing motorists improved mobility efficiency and safety.	
Funding Summary:	Previous funding for the project included $619,137 of STBG-Urban Federal funds in FFY 2023 in Other phase.	
Added Notes:	This project was previously programmed in the 2021-2026 MTIP. The formal amendment will add the project to the 2024-2027 MTIP with an additional $ 224,325 of CRP Federal funds in FFY 2026.	

Amending Existing MTIP/STIP Projects:

Project Number: 4	**Key Number: 23584**	**Status: Existing Project**
Project Name:	**Portland Local Traffic Signal Controller Replacement Phase 2**	
Lead Agency:	Portland	
Description:	Purchase and install up to 160 Advance Transportation Controllers (ATC) for PBOT and 79 for the City of Gresham and Multnomah County at selected signalized locations to improve the reliability of signal communications and pedestrian safety at intersections.	
Funding Summary:	Previous funding for the project included $1,588,849 of STBG-Urban Federal funds in FFY 2025 in the Other phase.	
Added Notes:	The formal amendment will program an additional $924,219 of CRP Federal funds in FFY 2026.	

Metro Required Project Amendment Reviews

In accordance with 23 CFR 450.316-328, Metro is responsible for reviewing and ensuring MTIP amendments comply with all federal programming requirements. Metro staff evaluate each project and its requested changes against multiple MTIP programming review factors that originate from 23 CFR 450.316-328. The evaluation process is designed to ensure the MTIP is fiscally constrained, consistent with the approved RTP, and provides transparency in its updates, changes, and/or implementation.

Proposed Processing and Approval Actions:

Action	Target Date
• TPAC agenda mailing……	October 31, 2025
• Initiate the required public notification/comment process…….	November 4, 2025
• TPAC approval recommendation to JPACT……	November 7, 2025
• Completion of public notification/comment process……..	December 3, 2025
• JPACT action ……	December 18, 2025
• **Metro Council action…….**	**December 18, 2025**
• Final amendment package submission to ODOT & USDOT……..	December 26, 2025.
• USDOT clarification and final amendment approval……..	Mid-February 2026

Notes: The above dates are anticipated and could change.

Memo

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

Date: December 8, 2025

To: JPACT, Metro Council, and Interested Parties

From: Gabriela Lopez, MTIP Data Coordinator
Jean Senechal Biggs, Resource Development Manager

Subject: Public Comment Period Summary
November 2025 (FFY 2026) MTIP Formal Amendment (NV26-02-NOV)

The November 2025 (FFY 2026) Metropolitan Transportation Improvement Program (MTIP) Formal Amendment contains the following programming changes:

- Amends the I-205: Glenn Jackson Bridge (Columbia River) project
- Cancels the Carbon Reduction Program Reserve
- Adds the Portland Traffic Signal Performance Measures Development & Eval project
- Amends the Portland Local Traffic Signal Controller Replacement Phase 2 project

Public Comment Period Notice and Invitation to Participate
Between November 4, 2025 and December 3, 2025, residents of the Portland metropolitan area were invited to provide comment on the proposed MTIP formal amendment. The notice and invitation to participate was distributed via the Metro News notification service and posted on the Metro website: https://www.oregonmetro.gov/news/public-notice-opportunity-comment-pending-amendment-metropolitan-transportation-improvement-86

Comments were accepted via email to summer.blackhorse@oregonmetro.gov.

During this comment period, Metro did not receive any comments.

Metro

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

Agenda #: 3.4

File #: 26-6417 **Agenda Date:**12/18/2025

Consideration of the November 13, 2025 Council Meeting Minutes

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Metro

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

Metro

Minutes

Thursday, November 13, 2025

10:30 AM

Metro Regional Center, Council chamber;
https://zoom.us/j/615079992 (Webinar ID: 615079992) or
253-205-0468 (toll free), www.youtube.com/watch?v=BdtIXCKorcs

Council meeting

1. Call to Order and Roll Call

Councilor Lewis called the meeting to order at 10:33 a.m. To ensure quorum throughout the meeting, Councilor Lewis announced a change to the order of business to hear Chief Operating Officer and Councilor Communications first, and to consider Resolution No. 25-5522 before Resolution No. 25-5521.

Present: 4 - Councilor Duncan Hwang, Councilor Mary Nolan, Councilor Gerritt Rosenthal, and Councilor Christine Lewis

Excused: 3 - Council President Lynn Peterson, Councilor Juan Carlos Gonzalez, and Councilor Ashton Simpson

2. Public Communication

None.

3. Consent Agenda

3.1 Consideration of the October 9, 2025 Meeting Minutes

Presenter(s):

Attachments: 10092025c Minutes

3.2 Consideration of the October 14, 2025 Meeting Minutes

Presenter(s):

Attachments: 10142025c Minutes

A motion was made by Councilor Nolan, seconded by Councilor Hwang, to adopt items on the consent agenda. The motion carried unanimously.

6. Chief Operating Officer Communication

Chief Operating Officer Marissa Madrigal announced the upcoming Zoo Lights, Brew Lights and employee night at the Oregon Zoo.

7. Councilor Communication

Councilor Rosenthal updated Council on the Kelly Creek project, and Councilor Hwang shared he would attend a Metro Mixer event with the City of Gresham. Councilor Lewis remarked on legislative transportation investments and the benefits those funds could bring to cities and counties.

4. Resolutions

Present: 5 - Councilor Duncan Hwang, Councilor Mary Nolan, Councilor Gerritt Rosenthal, Councilor Juan Carlos Gonzalez, and Councilor Christine Lewis

Excused: 2 - Council President Lynn Peterson, and Councilor Ashton Simpson

4.2 **Resolution No. 25-5522** For the Purpose of Appointing Members to The Oregon Zoo Bond Oversight Committee

Presenter(s): Heidi Rahn, Director, Oregon Zoo
Beth Redmond - Jones, Director of Campus Planning and Development, Oregon Zoo

Attachments: Resolution No. 25-5522
Exhibit A
Staff Report

Staff reviewed the purpose of the Zoo Bond Oversight Committee and the skills of the slate of candidates. They announced that Monique Claiborne, President and CEO of Greater Portland, Inc. and Sarah Mastrionieni, Director of Capital Projects and Planning, Portland Trailblazers, as the chair and co-chair candidates.

Councilor Hwang inquired about the rationale for both 1- and 2-year terms in the first slate of committee members and asked about representation in Clackamas County. Staff confirmed that bond members may renew their service for up to six years in total, with a staggered term expiry across the committee. Staff also shared that although there were five applicants from Clackamas County, none remained responsive throughout the recruitment. Additionally, additional positions remain open to allow for ongoing recruitment.

Councilor Hwang excused himself from the meeting following the vote.

A motion was made by Councilor Hwang, seconded by Councilor Rosenthal, that this item be approved. The motion passed by the following vote:

Aye: 5 - Councilor Hwang, Councilor Nolan, Councilor Rosenthal, Councilor Gonzalez, and Councilor Lewis

Excused: 2 - Council President Peterson, and Councilor Simpson

4.1 **Resolution No. 25-5521 For the Purpose of Approving Fiscal Year 2025-26 Funding for Grants Funded with the Construction Excise Tax**

Presenter(s): Hau Hagedorn, Community Investment Manager
Serah Breakstone, 2040 Grants Program Manager

Attachments: Resolution No. 25-5521
Exhibit A
Staff Report
Attachment 1

Staff reviewed the three 2040 Planning and Development Grants recommended in the resolution, and also referenced a fourth grant applicant who would continue to work with staff toward a successful application in the future.

Councilor Rosenthal asked about community visioning efforts at the Eastport Plaza and staff confirmed that this effort is significant and considered in the grant. Councilor Rosenthal asked for clarification about the timeframe for the Clackamas County project.

A motion was made by Councilor Gonzalez, seconded by Councilor Rosenthal, that this item be approved. The motion passed by the following vote:

Aye: 4 - Councilor Nolan, Councilor Rosenthal, Councilor Gonzalez, and Councilor Lewis

Excused: 3 - Council President Peterson, Councilor Hwang, and Councilor Simpson

4.3 **Resolution no. 25-5532 For the Purpose of Endorsing the Findings and Recommendations in the Comprehensive Climate Action Plan for the Portland-Vancouver Metropolitan Statistical Area**

Presenter(s): Eliot Rose (he/him), Senior Transportation Planner
Kim Ellis (she/her), Climate Program Manager
Ted Leybold (he/him), Transportation Policy Program Director

Attachments: Resolution No. 25-5532
Exhibit A - Comprehensive Climate Action Plan
Staff report

COO Madrigal introduced the Comprehensive Climate Action Plan (CCAP) and highlighted the changes in federal funding that have occurred since Metro first received a grant for the CCAP. Staff also reviewed Metro's history of climate leadership and the purpose of the CCAP.

Councilor Nolan asked the timeline for achieving state targets for reducing greenhouse gas emissions. Staff specified that additional resources are necessary to achieve those targets. Councilor Nolan then emphasized the need to focus on strategies that don't require investment but rely on changes in practices.

Councilor Lewis shared an exchange with staff about whether Clackamas County's unadopted climate plan has or will have a positive impact.

Councilor Rosenthal identified future work to partner with local jurisdictions seeking to adopt their climate priorities within the regional plan, which has slightly different priorities.

Councilor Gonzalez appreciated the clarity of the CCAP's direction and stressed the importance of the advocacy role elected officials play in addition to staff implementation of the plan. Councilor Nolan agreed with Councilor Gonzalez and acknowledged that political leadership on climate action has been lacking.

A motion was made by Councilor Gonzalez, seconded by Councilor Rosenthal, that this item be approved. The

motion passed by the following vote:

Aye: 4 - Councilor Nolan, Councilor Rosenthal, Councilor Gonzalez, and Councilor Lewis

Excused: 3 - Council President Peterson, Councilor Hwang, and Councilor Simpson

5. Other Business

5.1 Council Discussion of Funding Priorities Related to Resolution No. 25-5544

Presenter(s): Councilor Juan Carlos Gonzalez, District 4

Attachments: Resolution No. 25-5544 as Adopted

Councilor Gonzalez asked for Council support to allocate $500,000 to provide critical assistance to residents suffering from direct action from the federal government based on real or perceived identities. He specified his legislative intent to provide support to families who have lost a primary income earner and need support such as eviction prevention services.

Councilor Nolan noted that federal funding for families and social services is not improving, and that Metro supported a previous effort to backfill Supplemental Nutrition Assistance Program dollars because of a temporary lag in federal funding. However, Councilor Nolan expressed support for COO action if it included a more strategic recommendation for Council to consider such unbudgeted expenditures.

Councilor Gonzalez was amenable to this adjustment and emphasized the opportunity to build on support offered by other local jurisdictions. Councilor Rosenthal also agreed that a regular system or framework would be useful.

8. Adjourn

There being no further business, Councilor Lewis adjourned the meeting at 12:47 p.m.



Anne Buzzini, Council Legislative Advisor
December 8, 2025

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

Metro

Agenda #: 3.5

File #: 25-6415 **Agenda Date:**12/18/2025

Consideration of the November 20, 2025 Council Meeting Minutes

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Metro

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

Metro

Minutes

Thursday, November 20, 2025

10:30 AM

Metro Regional Center, Council chamber; https://zoom.us/j/615079992 (Webinar ID: 615079992) or 253-205-0468 (toll free), www.youtube.com/watch?v=XWoc0VNV-B0

Council meeting

1. Call to Order and Roll Call

Deputy Council President Simpson called the meeting to order at 10:31am.

Councilor Lewis shared remarks honoring Transgender Day of Remembrance.

Present: 7 - Council President Lynn Peterson, Councilor Duncan Hwang, Councilor Mary Nolan, Councilor Gerritt Rosenthal, Councilor Juan Carlos Gonzalez, Councilor Christine Lewis, and Councilor Ashton Simpson

2. Public Communication

Art Lewellen shared his opposition for the Rose Quarter I-5 project.

3. Consent Agenda

3.1

Attachments: October 30, 2025 Council Meeting Minutes

3.2

Attachments: November 4, 2025 Council Meeting Minutes

3.3 **Resolution No. 25-5542 For the Purpose of Confirming Reappointments to the Metro Committee on Racial Equity**

Attachments: Resolution No. 25-5542
Exhibit A
Staff report

The consent agenda was approved unanimously.

4. Presentations

4.1 **Presentation of the Parks and Nature and Natural Areas Oversight Committee Annual Reports**

Presenter(s): Jon Blasher (he/him), Parks and Nature Director
Cary Watters, Oversight Committee Co-Chair
Erin Upton, Oversight Committee Co-Chair

Attachments: Staff report
Attachment 1 - Community Report

Deputy Council President Ashton Simpson introduced Parks and Nature Director Jon Blasher and Oversight Committee Co-Chairs Cary Watters and Erin Upton to share the annual reports from the Parks and Nature and Natural Areas Oversight Committee. The co-chairs discussed their involvement with the committee. Presenters discussed restoration and maintenance, protecting the land, park improvements, community investments, education and stewardship. They shared their total spending and next steps for their committee.

Councilor Hwang expressed gratitude for the co-chairs' leadership

Councilor Lewis shared support for the work of the committee.

5. Resolutions

5.1 **Resolution No. 25-5538** For the Purpose of Terminating the Intergovernmental Agreement Between Metro and the City of Portland Under Which Metro Manages the Portland'5 Centers for the Arts

Presenter(s): Craig Stroud (he/him), General Manager, Visitor Venues
Rachael Lembo (she/her), Interim Executive Director, Portland'5

Attachments: Resolution 25-5538
Staff Report

Deputy Council President Ashton Simpson introduced the resolution and welcomed Portland City Councilor Jamie Dunphy to speak on behalf of the resolution.

Councilor Dunphy expressed his support for the resolution.

Presenters described the background of Portland'5 Centers for the Arts (P'5) and shared staff recommendations. They discussed the status of Metro's involvement and asked Council for feedback.

Councilor Lewis asked where the City of Portland will find the money that they will need to manage the facilities.

Rachael Lembo responded that Metro has worked hard this year to balance their operating budget. She noted that this was not an easy process and that they had to reduce their staff to achieve their balanced budget. Lembo added that the City of Portland has a major infrastructure plan, and they are aware that the Portland'5 facilities need to be part of that plan, but she does not know where the money is coming from.

Councilor Lewis stated that Metro has invested greatly in the building, citing capital improvement projects such as replacing the roof and HVAC systems. Rachael Lembo affirmed that the improvements cost around $9 million, if not more, noting that they have replaced the roofs of 3 buildings. Rachael Lembo added that before the Covid-19 pandemic, they were making $1-$3 million in net positive funds, but after the pandemic, they did not generate that sort of net positive income. She added that due to the slowing of revenue, they have had challenges funding further capital projects.

Council President Peterson arrived at 11:35am.

Councilor Lewis asked for clarification on the rates for the venues. Rachael Lembo responded that the rates are available on the website, and they are set in advance. She added that there are different levels of discounts on rental rates.

Councilor Lewis asked the presenters to explain the readiness elements of the transfer. Rachael Lembo responded that they have a draft termination agreement, and they are actively in negotiations with the City of Portland. She stated that the negotiations are progressing well but recognized that there is a lot of work to be done after the agreement is signed.

Councilor Hwang asked what they can do to make sure there is an inclusive process and discussion, noting a worry about public transparency during this transition.

Rachael Lembo responded that there was a group of twenty external stakeholders who met over a six-month period, and that they have also been engaging with local nonprofits. She noted that going forward, she is happy to speak with anyone who reaches out with questions or concerns.

Councilor Hwang requested that staff prepare an FAQ on the website.

Councilor Juan Carlos Gonzalez asked how the transition will work.

Rachael Lembo responded that because they are a large operation, it will take a lot of intentional effort to make sure the transition is seamless. She noted that they will make sure staff have what they need. She added they have high level draft timelines to transition the major operational components.

Craig Stroud noted that the City of Portland will receive these venues as fully functional business units.

Deputy Council President Ashton Simpson left the meeting at 11:50am.

Councilor Nolan asked how this move, when completed, will affect the ability of the region to think regionally about arts and culture.

Rachael Lembo responded that Metro is uniquely situated to think about regional issues, and the operation of these venues does not change that. Lembo cited the community placemaking grant program, GLEAN art program, and future vision as examples of arts and culture regionalism that Metro leads.

Councilor Nolan shared concern about Metro stepping back from regional leadership of arts and culture if they part from these

venues.

Councilor Hwang asked what the transition costs will be, asking how it will be apportioned and if they are using reserves.

Rachael Lembo responded that they will share more about that when they come back with their budget in 2026.

Councilor Hwang asked if Metro would split costs with the City of Portland.

Rachael Lembo responded that costs will be incurred by both parties. She noted once they have signed the agreement, Metro will know more about their capacity needs.

Councilor Hwang asked about changing the transition day if necessary, requesting clarity on if there are clauses where they can push the timeline back if necessary.

Rachael Lembo responded that it will be hard to do that later in the process, but they should be able to change the date if they decided to do so in the next few months.

Craig Stroud noted that there is no visible interruption of service or change or service and the transfer of ownership will have excellent results for the public.

Council President Peterson stated that these facilities have been cherished by the region and that she thinks this is the right time and right decision. She appreciated staff for their work and added that they will be there to support the City of Portland and Metro staff.

Councilor Lewis asked Councilor Jamie Dunphy to speak on the City of Portland’s commitment to organized labor in these facilities.

Rachael Lembo responded there is a state statute that governs the transition of operations from one government to another. She added that the statute does have staff protections and that they are discussing that in negotiation.

Councilor Dunphy shared that they are committed to protecting the union jobs and ensuring a seamless transfer that recognizes the dignity and professionalism necessary for workers. He noted that he is a union member himself.

Councilor Lewis stated that there will be benefits that are lost and changed even with the best intentions. She requested extensive planning to ensure the best outcomes for employees.

Councilor Dunphy stated that unions will be in the front and center of their discussions.

Deputy COO Andrew Scott shared that they do not anticipate broad public engagement around this transfer besides with the key stakeholders.

Councilor Hwang shared that his constituents have some questions about this transfer and are surprised. He stated that he would like a community listening session, online survey, or some combination of those types of activities to ensure people are informed.

Council President Peterson stated that she wants a minimum of a least one virtual listening session between the city of Portland and Metro to get feedback on the transition.

Councilor Nolan noted that Metro and the City of Portland have done a lot of engagement with the people engaged in the venues themselves. They stated that they would not suggest, given the timeline they are working with, a large process of public engagement and input, citing worries that this may push their transition date back.

Councilor Lewis stated that it may be a little late for Metro be the main listener and encouraged the City of Portland to be open ears to the community. She agreed with Councilor Nolan that this is a regional challenge.

Councilor Hwang asked if it is one resolution with two date options for the COO.

Rachael Lembo affirmed this.

A motion was made by Councilor Hwang, seconded by Council President Peterson, that this item be adopted. The motion passed by the following vote:

Aye: 5 - Council President Peterson, Councilor Hwang, Councilor Nolan, Councilor Gonzalez, and Councilor Lewis

Excused: 2 - Councilor Rosenthal, and Councilor Simpson

5.2 **Resolution No. 25-5533 For the Purpose of Amending the Fiscal Year 2025-26 Budget and Appropriations Schedule and Fiscal Year 2025-26 Through Fiscal Year 2029-30 Capital Improvement Plan to Provide for Changes in Operations**

Presenter(s): Amanda Akers, Budget Manager
Cinnamon Williams, Budget Director

Attachments: Resolution 25-5533
Exhibit A
Exhibit B
Staff Report
Attachment 1 - Summary of November 2025
Amendments
Attachment 2-9

Councilor Lewis introduced the resolution. Presenters discussed budget amendments and capital improvement plan changes. They shared the actual changes to the adopted budget and the appropriation changes. Presenters shared the full-time equivalent changes, general fund changes, and all other substantive changes.

Councilor Hwang asked what the balance is in their contingency fund, noting that they need to make sure the money will last until the

end of the fiscal year.

Cinnamon Williams responded that the contingency fund for is $33.2 million after these changes, noting that there are enough resources to cover these changes in the fiscal year.

Councilor Lewis noted that understanding the general funds spent on new staff in relation to the contingency fund, as well as where the budget sits, is important. She acknowledged that Metro just went through a painful period with layoffs, adding that most of those layoffs were from funds outside of the general fund.

A motion was made by Council President Peterson, seconded by Councilor Hwang, that this item be adopted. The motion passed by the following vote:

Aye: 5 - Council President Peterson, Councilor Hwang, Councilor Nolan, Councilor Gonzalez, and Councilor Lewis

Excused: 2 - Councilor Rosenthal, and Councilor Simpson

6. Chief Operating Officer Communication

Deputy COO Scott provided an update on increased Immigration and Customs Enforcement (ICE) activities. He shared that 650 people have been arrested by ICE so far in the Metro area, noting reports of people being afraid to leave their homes. He shared that they will come back with a proposal to be responsive to the needs and requests from the community.

Deputy COO Scott also thanked the Zoo staff for their work at the Oregon Zoo Lights. He added that the Metro community campaign is going on now and folks can drop donations around MRC.

7. Councilor Communication

None.

8. Adjourn

With no other business, Councilor Lewis adjourned the meeting at 12:22pm.

Georgia Langer

Georgia Langer, Legislative Coordinator
December 9, 2025

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

Metro

Agenda #: 3.6

File #: 26-6418 **Agenda Date:**12/18/2025

Consideration of the December 4, 2025 Council Meeting Minutes

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Metro

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

Metro

Minutes

Thursday, December 4, 2025

10:30 AM

Metro Regional Center, Council chamber;
https://zoom.us/j/615079992 (Webinar ID: 615079992) or
253-205-0468 (toll free),

Council meeting

1. Call to Order and Roll Call

Councilor Hwang, presiding officer, called the meeting to order at 10:32.

Present: 5 - Council President Lynn Peterson, Councilor Duncan Hwang, Councilor Mary Nolan, Councilor Gerritt Rosenthal, and Councilor Christine Lewis

Excused: 2 - Councilor Juan Carlos Gonzalez, and Councilor Ashton Simpson

2. Public Communication

Art Lewellen shared his concerns about the southwest light rail and the Rose Quarter transportation projects.

3. Consent Agenda

Present: 6 - Council President Lynn Peterson, Councilor Duncan Hwang, Councilor Mary Nolan, Councilor Gerritt Rosenthal, Councilor Juan Carlos Gonzalez, and Councilor Christine Lewis

Excused: 1 - Councilor Ashton Simpson

3.1 **Resolution No. 25-5527** For The Purpose of Renewing GSS Transfer, LLC's Solid Waste Facility Franchise to Operate a Transfer Station

Attachments: Resolution No. 25-5527
Exhibit A
Exhibit B
Staff Report
Attachment 1 - Public Comment Report

3.2 **Resolution No. 25-5529** For the Purpose of Renewing Pride Recycling Company's Solid Waste Facility Franchise to Operate a Transfer Station

Attachments: Resolution No. 25-5529
Exhibit A
Exhibit B
Staff Report

3.3 **Resolution No. 25-5526** For the Purpose of Renewing Waste Management of Oregon, Inc.'s Solid Waste Facility Franchise to Operate Forest Grove Transfer Station

Attachments: Resolution No. 25-5526
Exhibit A
Exhibit B
Staff Report
Attachment 1 - Public Comment Report

3.4 **Resolution No. 25-5524** For the Purpose of Renewing Willamette Resources, Inc.'s Solid Waste Facility Franchise to Operate a Transfer Station

Attachments: Resolution No. 25-5524
Exhibit A
Exhibit B
Staff Report

3.5 **Resolution No. 25-5528** For the Purpose of Renewing Waste Management of Oregon, Inc.'s Solid Waste Facility Franchise to Operate Troutdale Transfer Station

Attachments: Resolution No. 25-5528
Exhibit A
Exhibit B
Staff Report

A motion was made by Councilor Lewis, seconded by Councilor Rosenthal, to adopt items on the consent agenda. The motion carried unanimously.

4. Ordinances (Public Hearing)

4.1 **Public Hearing for Proposed Amendments to the 2023 Regional Transportation Plan to Include Locally Preferred Alternatives for the 82nd Avenue Transit Project, the Tualatin Valley Highway Transit and Safety Project, and the Montgomery Park Streetcar Extension**

Presenter(s): Ally Holmqvist (she/her), Senior Transportation Planner, Regional Transit Planner

Attachments: Staff Report
Attachment 1: Amendments Process Schedule
Attachment 2: 82nd Ave RTP Amendment Request Memo
Attachment 3: Exhibit A 82nd Ave Redline Amendments
Attachment 4: TV Hwy RTP Amendment Request Memo
Attachment 5: Exhibit A TV Hwy Redline Amendments
Attachment 6: Montgomery Park RTP Amendment Request Memo
Attachment 7: Exhibit A MPSC Redline Amendments
Attachment 8: HCT Project Lifecycle

Todd Littlefield, resident, testified regarding the proposed amendment to add 82nd Avenue Transit Project Locally Preferred Alternative to the 2023 Regional Transportation. He expressed concern about changes to the flow of traffic to support transit on a road that is used by so many cars.

5. Ordinances (First Reading and Public Hearing)

5.1 **Ordinance No. 25-1535** For the Purpose of Amending Metro Code Chapters 3.07 and 3.09 to Make Housekeeping Updates, Modernize Public Notice Methods, Incorporate Plain Language Best Practices, and Implement New Statutory Metro District Annexation Requirements

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

Attachments: Ordinance No. 25-1535
Exhibit A
Exhibit B
Staff Report
Attachment 1 - Summaries of Amendments
Attachment 2 - House Bill 2356 of the 2024 Legislative Session

Staff provided an overview of the proposed housekeeping changes to Metro Code. Councilor Lewis asked for more information about how the changes would inform Metro's consultation with Tribes, a policy that currently exceeds state requirements for simple notice. Staff explained that new changes go slightly further than current

regulations.

5.2 **Ordinance No. 25-1539** For the Purpose of Consolidating the Supportive Housing Services Regional Oversight Committee and Tri-County Planning Body Into a New "SHS Regional Policy and Oversight Committee" and Establishing the Committee's Duties and Membership

Presenter(s): Liam Frost (he/him), Interim Housing Director
Yesenia Delgado (she/her), Supportive Housing Services Division Manager
Kristin Dennis (she/her), Metro Chief of Staff

Attachments: Ordinance No. 25-1539
Exhibit A to Ordinance No. 25-1539
Staff Report
Attachment 1 - Draft SHS Reform Actions Memo

Staff presented the history and context of the ordinance to create a new committee.

Metro Attorney Carrie MacLaren clarified that term limits for committee members do not apply to elected officials or agency staff and that only voting members are considered in the calculation of a quorum per Metro Code. She also confirmed that committee members selected for their representative of culturally specific services perform on behalf of the services provided by a given organization, not based on the makeup of any boards or identities of those serving on the committee.

Metro Attorney MacLaren and presenting staff also addressed questions related to the lack of staggered terms and conflicts of interest. They noted that bylaws adopted in the future would further define conflicts of interest and impartiality and that natural attrition of the committee provides opportunities to fill new seats, along with the strengthened ability to rebalance the committee geographically at the end of each term.

Public Hearing

Multnomah County Chair Jessica Vega Pederson testified in

support of increased representation of counties in comparison to cities, as the primary providers of homeless services. Multnomah County Commissioner Shannon Singleton reiterated these concerns and asked that cities serve as non-voting members of the committee.

Amon Green, resident, shared personal experience with homelessness and advocated for more residents with lived experience on the committee.

Angela Martin, Here Together, also emphasized that cities do not administer homeless services. She advocated for the committee to create more tools for compliance and a regional continuous improvement framework.

Andrew Rowe, business owner, argued that the proposed committee, designed for governance, is too large to create strong accountability and responsiveness.

Nick Sauvie, Rose CDC, asked Council to improve accountability tools and to include more representation from people with lived experience and homeless services providers.

Brooke Hill, AFSCME political fellow, spoke to emphasize the need for input from behavioral health services providers.

Noah Goldman, AFSCME, asked Council to ensure the committee addresses compensation and workforce stabilization for those providing services.

Brooke Goldberg, Central City Concern, expressed concern about the size of the committee but advocated for retaining the number of services providers if reductions are made.

Andy Miller, Our Just Future, asked Council to reduce the

committee's size and ensure that the committee works to create comprehensive regional alignment of services and priorities.

Sahan McKelvey, Self Enhancement, Inc., shared concerns about the size and structure of the committee, arguing that it is both too big and relies on elected officials as members providing oversight, redundant with their existing responsibilities.

Laura Galino de Levato, Northwest Pilot Project, asked Council to consider a committee of 12 to 14 members, with cities serving only as non-voting members.

Dr. Sandra Comstock, Hygiene for All, expressed concern about the representation of politicians and asked for more people with lived experience on the committee.

Molly Hogan, Welcome Home Coalition, emphasized the need for professional expertise on the committee.

Crystal Magana, resident, shared her experience with the Welcome Home Coalition and as a person who has experienced homelessness, emphasizing that empathy and a desire to improve conditions are not equivalent to lived experience.

Brian Hoop, Housing Oregon, supported three primary recommendations put forward by HereTogether: committee size, mechanisms for accountability and prioritizing commitment to a regional continuous improvement framework.

Michael Austin, Just Compassion, shared academic findings about effective committee structures, noting that studies conducted in the field suggest lived experience outweighs political representation.

Cameron Foster, JOIN PDX, also shared lived experience with

homelessness and supported greater representation on the committee of professionals providing services.

Council Deliberation

Council President Peterson thanked those who testified and agreed with the need to create an effective regional system. She highlighted the committee's structure as a tool for combating mistrust among stakeholders, and she noted that the proposal includes an annual review to continue to make changes to improve the committee.

The Council then considered amendments to the ordinance. First:

Councilor Lewis moved to adopt Amendment #1, as included in the distributed materials. Councilor Hwang seconded the motion.

During discussion, Councilor Rosenthal recognized TriMet's role providing transit service to people experiencing homelessness. Councilor Lewis hoped that TriMet would remain a partner but said that a committee seat wasn't necessary.

President Peterson suggested including both TriMet and philanthropic seats as non-voting members.

Councilor Rosenthal moved to amend Amendment #1 consistent with President Peterson's remarks, seconded by Councilor Lewis.

During discussion on Councilor Rosenthal's amendment to Amendment #1, Councilor Nolan opposed Amendment #1 unless the committee size were otherwise reduced first and shared a broad concern about the late timing of the submitted written amendments.

Aye: 5 - Council President Peterson, Councilor Hwang, Councilor Rosenthal, Councilor Lewis, and Councilor Gonzalez

Excused: 1 - Councilor Simpson

Council adopted Amendment #1 by the following vote:
Aye: 4 - Council President Peterson, Councilor Hwang, Councilor Rosenthal, and Councilor Lewis
Excused: 1 - Councilor Simpson

Councilor Hwang moved to adopt Amendment #2, as included with the distributed materials, with no objection from Council, seconded by Councilor Lewis.
Councilor Hwang described his intent to balance voting seats between professionals and elected officials by adding specific professional seats.

Councilor Nolan opposed the amendment on the grounds that the proposed committee is too large and none of the distributed amendments seek to reduce the size. They advocated for greater specificity in the committee and program outcomes before determining the governance structure.

Councilor Rosenthal suggested that the committee be empowered to reassess its makeup to support improvements over time.

Councilor Rosenthal moved to table consideration of Amendment #2, seconded by Councilor Nolan. The motion failed by the following vote:
Aye: 2 - Councilor Rosenthal and Councilor Nolan
Nay: 4 - Council President Peterson, Councilor Hwang, Councilor Lewis, and Councilor Gonzalez
Excused: 1 - Councilor Simpson

During continued discussion on Councilor Hwang's amendment, Councilor Gonzalez asked for clarification regarding a labor representative on the committee. Councilor Hwang confirmed the representative should be a union member providing homeless

services.

Councilor Lewis spoke to the size of the committee and pointed to the Metropolitan Policy Advisory Committee and the Joint Policy Advisory Committee on Transportation as examples of effective, large committees that build trust. She also noted that within the existing oversight structure for SHS at Metro, seats are reserved for elected officials but those officials do not frequently attend the meetings.

President Peterson moved to strike the organized labor representative from Amendment #2 and instead insert academic and organized labor representatives as options for types of experts (experts are included as a separate category in the ordinance as introduced), seconded by Councilor Gonzalez.
During discussion on President Peterson's motion, Councilor Nolan supported organized labor representation but noted that under President Peterson's motion that expertise would be optional; an appointee could bring other expertise to that seat instead. Councilor Rosenthal supported both academic and organized labor expertise on the committee but similarly expressed concern that those viewpoints would be diluted under the broad list of experts eligible for a single seat.

The proposed amendment to Amendment #2 failed by the following vote:
Aye: 2 - Council President Peterson and Councilor Gonzalez
Nay: 4 - Councilor Hwang, Councilor Rosenthal, Councilor Lewis and Councilor Nolan
Excused: 1 - Councilor Simpson

Amendment #2 failed by the following vote:
Aye: 3 - Councilor Hwang, Councilor Lewis and Councilor Nolan
Nay: 3 - Council President Peterson, Councilor Gonzalez and

Councilor Rosenthal

Excused: 1 - Councilor Simpson

Councilor Lewis moved to adopt Amendment #3, as included in the distributed materials, stating her intent to add specificity to the requirement that appointees represent all six Metro Districts, seconded by Council President Peterson.

Council discussed the balance between the number of affected seats and the number of Metro districts. Councilor Nolan believed that the structure already provided for adequate representation without additional restriction. Councilor Gonzalez worried that attrition would make filling seats more difficult; President Peterson agreed. Councilor Lewis acknowledged that her amendment would have been easier to implement had Amendment #2 passed, increasing the size of the committee further. Although she recognized that her proposal would require six districts represented by just eight seats, she also pointed to Metro committees with almost no representation from Clackamas County.

Amendment #3 was adopted by the following vote:

Aye: 5 - Council President Peterson, Councilor Hwang, Councilor Rosenthal, Councilor Lewis and Councilor Gonzalez

Nay: 1 - Councilor Nolan

Excused: 1 - Councilor Simpson

Deliberation on Ordinance 25-51539, as Amended

Councilor Lewis reiterated the main points she heard from the public hearing, including size of committee and trust-building, as well as identifying key outcomes in the system.

President Peterson appreciated a thorough process, with each stakeholder asking for additional representation. She argued that immediate action is critical.

Councilor Rosenthal suggested adding technical advisory committees specifically to ensure that changes can be effective in the next five years.

Councilor Nolan reiterated their support for a smaller committee, citing the difficulty of changing the size of the committee in the future.

President Peterson was excused from the remainder of the meeting.

Councilor Gonzalez highlighted that Council had already considered several options for improvement and consolidating the two oversight committees is the best immediate step. He also shared his support for city representation on the committee.

Ordinance 25-1539 was amended by the Council as described above.

8. Adjourn to Work Session

Councilor Hwang adjourned the meeting at 1:36 p.m. and carried over a previously scheduled work session item.



Anne Buzzini, Council Legislative Advisor
December 11, 2025

Agenda #: 4.1

File #: 25-6396 **Agenda Date:**12/18/2025

Supportive Housing Services Follow-Up Audit

Brian Evans (he/him), Metro Auditor

Office of the Auditor

Supportive Housing Services Follow-Up Audit

David Beller
Senior Management Auditor

Paoa Wandke
Senior Management Auditor

November 2025

SUMMARY

The Housing Department made progress implementing most of the recommendations from our January 2024 audit, *Supportive Housing Services: Shared Oversight reduces transparency and accountability*. That audit included 18 recommendations focused on governance, data reliability, and long-term planning. Of the eighteen recommendations, nine were implemented, seven were in process, and two were not implemented. Some areas could benefit from continued improvement.

BACKGROUND

In May 2020, voters in the Metro region approved a ballot measure to establish a region-wide Supportive Housing Services (SHS) program. The measure was projected to generate about $250 million annually to address the needs of people experiencing, or at risk of experiencing, homelessness. There are two regional goals for the 10-year program: to connect 5,000 households experiencing homelessness to permanent supportive housing and to stabilize 10,000 households at risk of or experiencing homelessness in permanent housing.

Metro's SHS workplan requires counties to spend 75% of SHS funds on Population A and 25% on Population B. Population A includes individuals who are extremely low income, have one or more disabling condition, and are experiencing or at imminent risk of homelessness. Population B includes individuals who are experiencing homelessness or have a substantial risk of experiencing homelessness.

This is the third audit of the SHS program by the Office of the Metro Auditor. The purpose of this audit is to follow up on recommendations from our January 2024 audit. The audit included 18 recommendations focused on governance, data reliability, and long-term planning.

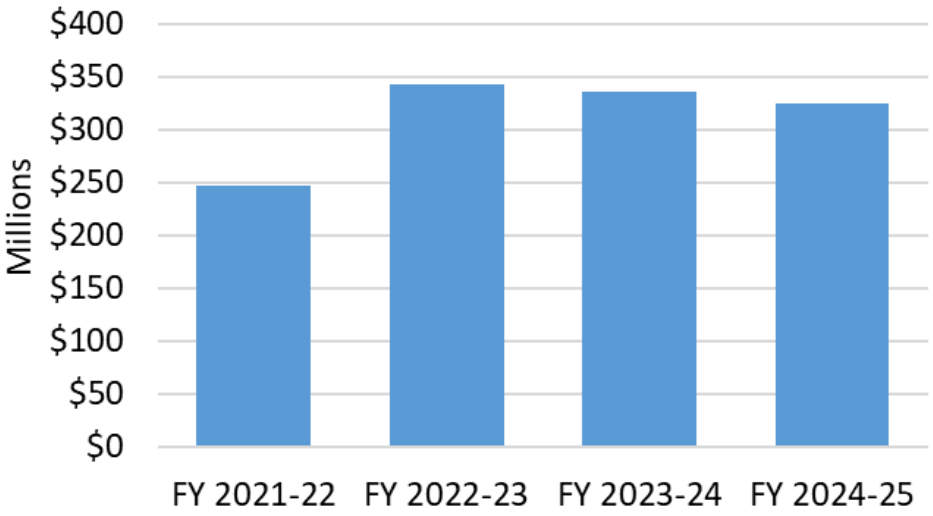
SHS funds are collected through a personal income tax and a business income tax. The City of Portland collects these taxes for Metro. After tax collection costs, Metro may keep up to 5% of funds for administrative expenses. Metro distributes the rest to Clackamas, Multnomah, and Washington counties to deliver services. On average, the taxes generated about $310 million in each of the first four years.

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Exhibit 1 SHS generated more than $1.2 billion in tax revenue in the first four years.



Source: Auditor's Office analysis of Metro Finance and Regulatory Services reports.

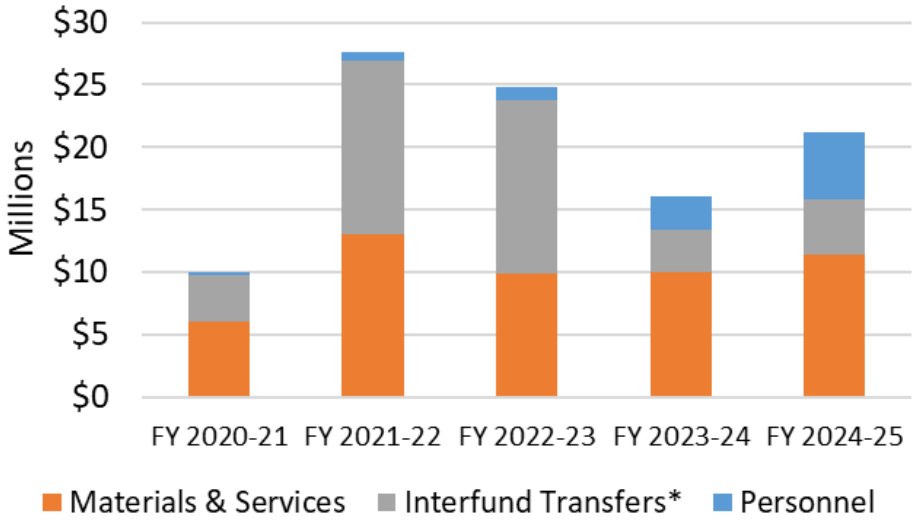
Each county developed their own SHS implementation plan. Metro supports regional implementation by collecting and distributing funds, convening regional committees, and facilitating regional oversight. As part of this role, Metro is authorized by intergovernmental agreements to monitor a portion of SHS program activities and issue corrective action plans when county partners deviate from plans.

Metro is also responsible for facilitating a regional reporting system. This includes quarterly and annual reports from the counties and a regional report from the Regional Oversight Committee. Metro developed reporting templates in collaboration with the counties.

The Regional Oversight Committee and the Tri-County Planning Body support program implementation and oversight. The Regional Oversight Committee is responsible for monitoring program activities and assessing performance, challenges, and outcomes. The Tri-County Planning Body is responsible for developing regional strategies to support program implementation. Both committees meet about once a month with administrative support from Metro.

At Metro, most responsibilities for SHS are managed by the Housing Department (Department). In FY 2024-25, Metro had about 32 full time equivalent employees working in SHS and about $21 million in SHS expenses excluding distributions to the counties. Metro's Finance and Regulatory Services department manages the financial aspects of the program including tax collection with the City of Portland.

Exhibit 2 Most of the Housing department's SHS expenses were in materials and services.



Source: Auditor's Office analysis of PeopleSoft finance data.
**Interfund Transfers to repay the General Fund for program start-up costs and fund Metro's central services, such as Human Resources and Information Technology*

RESULTS

The Housing Department (Department) made progress implementing most of the 2024 audit recommendations. Of the eighteen recommendations, nine were implemented, seven were in process, and two were not implemented.

Most recommendations for program oversight were either implemented or in process. Oversight bodies received more timely updates and more data. The Regional Oversite Committee (ROC) received improved guidance about their responsibilities. Some areas would benefit from continued improvement, including program monitoring, corrective action plans, and the spending guidelines for Populations A and B. In addition, funding allocations still do not align with each county's need.

Most of the recommendations related to data reporting and reliability were in process. New reporting guidance implemented one recommendation. Work was done to improve data reliability and add information about costs and housing retention. Although data reporting and reliability improved, decision makers and the public need more specific and accurate data to understand program outcomes.

The Department implemented all recommendations related to long-term planning and communications. The Tri-County Planning Body approved implementation plans for most of their regional goals and those plans were based on research. The Department expanded their communications team and stated they were developing a regional communications strategy. Some areas, such as eviction prevention and shelter care, could still benefit from research to inform strategies.

Oversight improved but monitoring processes should be clarified

The first group of recommendations focused on ensuring timely and ongoing oversight. Three recommendations were fully implemented, two were in process, and two were not implemented. Oversight bodies received more timely updates, more data, and improved guidance. The Department reviewed criteria for selecting members of the regional oversight body, but there may be room to improve. Program monitoring needs development, and clear criteria still needs to be identified for future corrective action plans. Funding allocations could be difficult to address but may need to change for the program to achieve intended outcomes.

Exhibit 3 Three of the seven recommendations related to oversight were fully implemented.

To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should:	
1. Set up a process to ensure each oversight body gets timely information about each other's work	Implemented
2. Increase the frequency of program updates to Metro Council.	Implemented
3. Get input from Metro Council, Tri-County Planning Body, and Regional Oversight Committee about the variety of experience needed to provide independent oversight among the members of the Regional Oversight Committee.	Implemented
4. Document criteria and processes for monitoring up to 25% of county program activities.	In process
5. Document criteria and processes for implementing corrective action plans.	Not implemented
6. Ensure the Regional Oversight Committee can fulfill its responsibilities by: a. Providing a full list of responsibilities assigned to it. b. Providing sufficient data to evaluate administrative spending and make recommendations. c. Providing sufficient data to evaluate spending on Populations A and B. d. Including data and recommendations about administrative spending and spending on populations A and B in the annual report to Council.	In process (Implemented) (Implemented) (In process) (In process)
7. Establish an annual process for Metro Council, Tri-County Planning Body, and Regional Oversight Committee to review the funding allocations for each county and adjust if needed.	Not implemented

Source: Auditor's Office summary of the status of recommendations.

Oversight bodies received more timely and consistent information

The Department made strong progress in providing more timely and consistent information to oversight bodies. These efforts implemented the first three recommendations. The Regional Oversight Committee (ROC), Tri -County Planning Body (TCPB), and Metro Council receive regular updates on program progress. The ROC has access to guidance and information that better prepares them for program oversight.

The Department provided more timely information to the ROC, TCPB, and Metro Council (recommendations 1 and 2). Since the last audit, both the ROC and TCPB received regular updates from one another. The ROC received updates on the TCPB in their monthly meeting packet and vice versa. Additionally, the number of updates to Metro Council increased since the last audit.

The Department provided the ROC with a list of responsibilities to ensure members were informed about what the committee was meant to achieve (recommendation 6a). This list has been included in monthly meeting packets since February 2024 and was updated in September 2024. The Department also provided more information on administrative spending in the Regional Annual Report and quarterly financial reports (recommendation 6b). The Department breaks their administrative spending reports out by personnel, materials and services, and indirect costs. A similar level of detail on County administrative spending would further support the ROC's ability to monitor all administrative costs.

The Department provided more data on administrative spending and Populations A and B in reports to Council (recommendation 6d). While this information has been included in the regional annual report, the Department reported there was some inconsistency between counties in the way Populations A and B were calculated. The Department issued memos to the counties throughout 2024 seeking to resolve these inconsistencies.

The Department reviewed the criteria for selecting ROC members and got feedback about the types of experience needed to serve on the committee. This implemented recommendation 3. Although most ROC members were also serving on the committee during the last audit, there were multiple vacancies on the committee. Expanding the range of expertise could be a consideration as new members are appointed.

Monitoring processes need clarification

Program monitoring could benefit from continued focus. The Department submitted a draft monitoring plan in March 2024. We were told a plan was finalized with all counties by September 2025. The details of the approval process were not clear. Establishing criteria for corrective action plans and continuing work to align definitions for Populations A and B will also support monitoring efforts.

The rate of homelessness in each county continues to be disproportionate with the size of funding allocations. Metro does not intend to pursue a review of funding allocations at this time, but there may be a way to redirect some funds without changing program requirements.

The Department began developing the criteria and processes for monitoring (recommendation 4). We were told the three counties agreed to a one-year monitoring plan but we did not see documentation of their approvals. This recommendation is in process because the current monitoring plan implies the scope of future monitoring plans may change. A framework that changes each year could require more resources over time. Monitoring should be clearly tied to program requirements and comparable over time to show program trends.

The intergovernmental agreements Metro has with each county state that each party must agree on the monitoring plan. This requirement may undermine the efficiency and effectiveness of monitoring. The purpose of the monitoring is to ensure compliance with program agreements. Allowing each county to determine what can be monitored reduces Metro's ability to provide oversight of the regional program.

In March 2024, the Department began negotiating a draft monitoring framework with the counties. Counties disagreed with the Department about the scope of monitoring. Our review found parts of the proposed framework did not appear to be linked to program requirements. The Department worked with the counties over the next year align expectations around monitoring. In order to address the counties' concerns, the finalized monitoring plan was revised with a significantly reduced scope. The framework was limited to one fiscal year and focused on financial infrastructure and target populations. The framework implied that future monitoring plans may have a different focus.

The monitoring framework would be more effective if it focused on a longer time period. Implementing a new agreement each year will require annual negotiations, which could be time intensive. Changing the focus every year could reduce consistency, making it difficult to monitor progress over time. A long-term monitoring framework with the same indicators used each year would provide consistency and allow trends to be tracked over time.

Corrective action plans without clear criteria can lead to unequal implementation

Metro did not identify the criteria for future corrective action plans (recommendation 5). Staff documented the process they used for the first corrective action plan, but there does not appear to be any criteria for future corrective action plans. This was a missed opportunity to learn from the past and set clear expectations with the counties for the future.

Metro initiated a corrective action plan with Multnomah County in June 2023 because they underspent their SHS budget. Clackamas County did not meet their spend-down plan either. According to the regional annual report, Multnomah County spent 65% of their spend-down plan in FY 2022-23 and Clackamas County spent 81%. Without clear criteria, it is difficult to know how much underspending is acceptable.

Clear criteria for corrective action plans can support planning and positive regional relationships. Knowing what Metro's expectations are in advance could prepare counties and support them as they plan to use SHS funds.

The monitoring framework is an opportunity to identify these criteria. Monitoring plans must be agreed to by the counties, so linking corrective action plans to the monitoring framework could support transparency for all parties.

Spending on Population A should receive continued focus

The SHS workplan stated that 75% of funds would be spent on Population A and 25% on Population B. Data on how much each county has spent on Populations A and B are now included in the regional annual report (recommendation 6c). However, the Department has identified some inconsistencies in how these populations are defined between counties. This recommendation will be implemented when the Department and all three counties have established consistent definitions.

There may not be a mechanism to enforce the population A and B spending goals before the end of the program. The requirement is only that population A receive 75% of funds at the end of the 10-year program. The Department should monitor spending trends for target populations. During year three, the counties spent about 63% on population A, and 37% on population B. If spending Population A does not increase, the Department may need to explore ways to intervene before it is too late to course correct.

Exhibit 4 Supportive Housing Services were prioritized for two groups.

Population A (75% of funding)	Population B (25% of funding)
• Extremely low-income; AND • Have one or more disabling condition; AND • Are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness	• Individual experiencing homelessness or has a substantial risk of experiencing homelessness

Source: Auditor's Office summary of the priority populations identified in the Supportive Housing Services workplan.

Funding allocations still do not align with need

Recommendation 7 was for Metro to establish a process to review the county funding allocations. This recommendation was not implemented. The previous audit noted that Multnomah County had 85% of the region's chronic homelessness but received only 45% of SHS funding. Based on figures reported by the counties in 2025, there is still a disparity between the rate of homelessness in each county and the funding allocations. Metro decided against reviewing funding allocations during the conversations about potential program reforms that began in January 2025.

It may be possible to reassign some funds without a complex process to change the overall funding allocations. The SHS ballot measure said funds would be allocated based on the amount of tax revenue generated in each county. In some situations, it may not be clear in which county tax revenue was generated. For example, tax revenue paid by businesses that operate in multiple counties may be considered unattributable to any one county.

This could be an opportunity to redirect funds to where they are needed most while still following the intent of the ballot measure. One estimate said about 8-12% of the total tax revenue could be unattributable. Based on that estimate, sending all of the unattributable revenue to Multnomah County could increase their revenue by 10-14%. While this could help, it is unlikely these funds are enough to compensate for the size of the disparity among the counties.

Data quality improved but gaps remain

The second group of recommendations focused on the reliability and consistency of performance data. One recommendation was implemented and five were in process. Decision makers and the public need more specific and accurate data to understand program outcomes.

Guidance was added, but sometimes data still appeared inconsistent or incomplete. The Department should continue to improve data reliability processes and provide more explanation for some of the metrics being reported. This information is critical to support decision makers' understanding of program strengths and weaknesses.

Exhibit 5 One of the six recommendations related to performance data was implemented.

To improve the reliability and consistency of program performance data, Metro Housing should:	
8. Clarify the goals related to serving 5,000 people and 10,000 households.	In process
9. Define which service types are used to report on progress towards the 5,000 and 10,000 goals.	In process
10. Develop a performance measure to evaluate the quality of services provided.	In process
11. Use existing data to provide more context for county and regional performance by adding the following to quarterly and annual reports: a. Retention and returns to homelessness compared to the number of people served. b. The capacity of permanent supportive housing compared to the overall need.	In process (In process) (In process)
12. Create a process to check the accuracy of county quarterly and annual reports and require counties to identify if they have revised data reported previously.	In process
13. Update reporting templates to: a. Add data about the percentage of the counties' total spending that comes from SHS. b. Add line items for spending on each service type provided.	Implemented (Implemented) (Implemented)

Source: Auditor's Office summary of the status of recommendations.

Guidance for reporting improved

The Department implemented the recommendation to report on the percentage of the counties' total spending that comes from SHS (recommendation 13a). This information helps the Department and the Regional Oversight Committee monitor the proportion of Metro funding in relationship to all funding sources. The annual report included information on funding from other sources, but more detail could provide better insight.

The Department defined which service types were included in the 5,000 and 10,000 goals (recommendation 9). In a memo to the counties, the Department clarified that the 5,000 goal includes permanent supportive housing and the 10,000 goal includes both rapid rehousing and eviction prevention. It also clarified that no other services are included in these goals. Certain service types, such as Housing with Services and Housing Only, did not appear to be counted toward the 5,000 and 10,000 goals. The Department should clarify how all program services align with the reporting of program goals, so the impacts are known

Our 2024 audit noted that the program was not measuring the quality of services. Focusing on the number of people served but not the quality of services could incentivize programs to provide lower quality services in higher numbers. The Department began the process to evaluate the quality of services (recommendation 10) by contracting with Portland State University to conduct an evaluation of SHS. Staff indicated that quality of services will be a focus of this evaluation. Metrics do not appear to have been defined yet.

Quarterly report data was sometimes incomplete

The 2024 audit recommended the Department create a process to check the accuracy of county quarterly and annual reports (recommendation 12). The Department reported it hired staff to focus on data quality and compliance. However, our recent review of quarterly reports found similar issues to what we found in the previous audit. The number of people served each quarter sometimes does not add up to the year-to-date totals, suggesting the data was incomplete or incorrect.

Our review suggests the scale of this issue may be significant. In FY 2023-24, there was as much as a 43% difference between the fourth quarter year-to-date totals and the sum of people reported each quarter. This was a variation of hundreds of people.

The quarterly reports also showed inconsistencies within individual reports. A breakdown of Population A and Population B for each metric is included in the reports. Often, these breakdowns did not add up to the total reported for that quarter. The quarterly reports did not include an explanation.

The Department noted that counties and providers have obstacles to timely and accurate quarterly reports. There are a large number of service providers and a limited period of time to finalize reporting. It could be valuable for counties to identify service providers who need additional support or accountability to improve the timeliness of their reporting.

It would be useful to include a statement in the quarterly reports noting that data may be incomplete and subject to revisions. The Department shared a template for FY 2025-26 quarterly reports that includes a footnote that data "may be slightly different" from the final numbers in the annual reports. The wording of the footnote does not capture the size and frequency of the differences. The Department should track the size of changes between quarterly reports to understand their significance.

Inconsistencies were not limited to quarterly reports. We also identified an error in one of the county annual reports that was repeated in Metro's regional annual report, suggesting improved data quality is needed for annual reports as well. It will be difficult for decision makers and oversight bodies to make informed choices if data in quarterly and annual reports is unreliable.

Permanent supportive housing projections are vague

The Department reported the capacity of permanent supportive housing compared to the overall need in the year-three annual report (recommendation 11b). However, the relationship between capacity, need, and the homeless population was unclear. The recommendation states that this information should provide context to show performance. To implement this recommendation, the methodologies for calculating these metrics should be defined and the relationship to performance should be apparent.

Decision makers need to understand the demand for permanent supportive housing and its relationship to the total homeless population. The annual report included estimated numbers but did not explain how they were calculated or if they represent only unmet need. This makes it difficult to understand the relationship between the total homeless population, the number in need of permanent supportive housing, and the number of permanent supportive housing units available.

For example, Washington and Clackamas counties reported a need that was two-to-three times larger than their estimate of their current homeless population. In contrast, Multnomah County's reported need was less than half their current homeless population. Decision makers need to understand if different methodologies or assumptions are being used in each county.

It would also be valuable to understand what factors influence each county's pace in meeting the need. For example, Multnomah County has added about 500 permanent supportive housing placements per year. It would be valuable to know how many additional years it would take to meet the unmet need. This data can help oversight bodies determine if this pace is adequate or if more resources should be invested to accelerate progress.

Clarity of regional goals improved

The Department made progress in clarifying the ten-year goals of connecting 5,000 chronically homeless households with permanent supportive housing and to stabilize 10,000 households at risk of or experiencing homelessness in permanent housing (recommendation 8), but there is room for improvement. The 2024 audit found inconsistent language describing the goals.

The Department made significant progress in reducing the inconsistency of goal language between sources, but there still some variation in describing the 5,000 goal. The goal is sometimes described as serving "chronically homeless households", and sometimes only states, "homeless households." The year-four regional annual report says, "households experiencing prolonged homelessness." This variation could represent fundamental differences in the intention of the goal. These variations appear minor but "chronically homeless" and "homeless" can refer to two different groups of people. Whether the 5,000 goal intends to support anyone who is homeless or specifically chronically homeless individuals could have implications in program implementation.

10-year goals may not be sufficient

The Department's guidance made goals clearer, but they appear disconnected from the scale of the regional need for services. The counties were on pace to connect 5,000 households in housing about halfway through the program. This suggests that the goal was not ambitious enough. The unmet need, combined with around 5,000 households already served, could provide an estimate of the total regional need for supportive housing. A relevant goal would be one that addresses need and is attainable.

The 10,000 goal has additional challenges. It may be hard for the public and decision makers to interpret what progress towards the 10,000 goal means. The goal includes rapid rehousing, a service for those experiencing homelessness, and eviction prevention, a service for those at risk of homelessness. Grouping these services together does not measure a reduction in homelessness because people who received eviction prevention were not homeless.

The Department uses the metric Housing Placements to report on program progress. This is a useful metric, but it does not align with the 5,000 and 10,000 goals. This measure combines permanent supportive housing, which is counted in the 5,000 goal, and rapid rehousing, a component of the 10,000 goal. Housing Placements provides a consolidated way to look at how many people the program has placed in housing. The reporting toward the 5,000 and 10,000 goals together does not measure the reduction in homelessness because the 10,000 goal includes eviction prevention, a service for participants who are not homeless. The use of Housing Placements shows how inconsistencies between goals and metrics can make it difficult to understand the program's progress.

Reliable data about costs, returns to homelessness, and housing retention are critical

The Department made progress on the recommendation to report retention and returns to homelessness (recommendation 11a). Although this data was reported, it was not complete for all program years. Retention and returns to homelessness are reported for 12- and 24-month periods. To measure how well the program reduces homelessness, it is critical to track these metrics over the ten-year program period.

The current reporting structure does not provide any data on how many people returned to homelessness after 24 months. Current data indicates 13% of those served returned to homelessness within 24 months. If this rate continued, it suggests that a third to half of participants could return to homelessness unreported over the ten-year program. Tracking returns to homelessness after 24 months is critical to understanding how well the program is reducing homelessness.

Returns to homelessness is a component of inflow and outflow data. Inflow and outflow provide valuable insight into the program impacts. The number of people returning to homelessness impacts the demand for services. Returns to homelessness can tell what portion of inflow has previously been placed into housing. If many people are returning to homelessness from permanent housing, it could indicate a weakness in the program.

The 2024 audit discussed the value of reporting participant inflow and outflow. The Department reported this in the annual report, but inconsistent methodologies were discovered with the data after it was published. This suggested the originally reported total for the regional program was not accurate.

Clear expectations in data reporting could help ensure that accurate and reliable data is published. Counties reported inflow and outflow data with more details in their individual annual reports. Multnomah County's recent data showed about 30% of people were not new to the system. Detailed and comparable inflow and outflow reporting could support monitoring and long-term planning.

The 2024 audit recommended the Department add line items for spending on each service type (recommendation 13b). This recommendation was implemented. Spending by service type is now included in quarterly financial reports. This is an important step toward understanding the efficiency of regional programs.

Estimating the average cost per person for each service type will be crucial for long-term planning. Spending by service type can be used to estimate the average cost per person for each service, but more data is needed. Quarterly reports provide the number of individuals newly placed in services, but do not provide the number of people continuing to receive services from prior periods. Without an understanding of the total number of people receiving services, the average cost per person cannot be estimated from the information in the quarterly reports.

Research supports communications and regional goals

The final group of recommendations focused on communications, the work of the Tri-County Planning Body (TCPB), and opportunities to use research to inform long-term planning. All five recommendations in this group were implemented.

The work of the TCPB has seen significant progress since the last audit. The TCPB has identified 6 regional goals. Each strategy had an implementation plan in place. Five of the six goals had plans approved by the TCPB and the Regional Oversight Committee as of September 2025. Our analysis found that research was used to develop implementation plans (recommendation 14). Plans were presented to the TCPB and the Regional Oversight Committee (recommendation 16).

The Department provided advice on best practices for communicating program results (recommendation 17). Since the last audit, the Department expanded their communications team. The team provides regular communications updates to the Regional Oversight Committee. They also advise Metro staff on communications. For example, they provide talking points to staff who are speaking about the SHS program publicly.

Exhibit 6 All five recommendations related to long-term planning were implemented.

To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should:	
14. Research relevant studies of the program impacts on SHS' target populations.	Implemented
15. Research best practices for communicating program results to increase understanding among decision-makers and the public.	Implemented
16. Advise boards of County Commissioners, Metro Council, and Metro Housing periodically on the results of the research.	Implemented
17. Advise the Regional Oversight Committee and Metro Housing about best practices for communicating program results to ensure understanding.	Implemented
18. Use research, program data, and financial projections to inform strategies for the regional program.	Implemented

Source: Auditor's Office summary of the status of recommendations.

The Department's communication team began to research best practices for communicating program results (recommendation 15), including research on equitable reporting. The Department said they were developing a regional communications plan in collaboration with the counties. County staff noted Metro's communications could be more aligned with their partners' needs. Implementing a regional communications plan may help Metro be more responsive to program partners.

Some areas could benefit from continued research

The Department made progress using research, program data, and financial projections to inform strategies for the regional program (recommendation 18). This recommendation was implemented. Five of the TCPB's six regional goals had initial plans approved. Research, program data, and financial projections were all elements of the plans.

Some areas of research identified in the previous audit do not appear to have been researched but could provide value to the program. Shelter care could be one area of focus. Shelter has a complex role in the response to homelessness. It can take different forms depending on how often the shelter is open, shelter hours, and whether the shelter is congregate or non-congregate.

In our 2024 audit, we noted that research shows congregate shelters have a lower acceptance rate by homeless individuals. During the follow up audit, we did not see evidence of research in this area. The shelter data reported by the program does not provide a clear picture of shelter capacity in the region. The data is not disaggregated by type of shelter. It also combines the numbers of beds added with the number sustained from previous periods. With recent attention on expanding investments in shelter beds, research on shelters could provide value. This research may help to inform delivery models and metrics to track shelters' impacts.

SCOPE & METHODOLOGY

The purpose of this audit was to determine the status of recommendations from the 2024 audit. The scope of the audit was the activities of the Supportive Housing Services program since the release of the audit in January 2024 through September 2025.

To complete this audit we conducted interviews, reviewed and analyzed program documents. Interviews included Metro Housing Staff and Housing staff from Clackamas, Multnomah, and Washington counties. Program documents included publicly available documents such as program reporting as well as documents supplied by Metro Housing staff. Financial data was collected using program reports and PeopleSoft, Metro's financial software.

This audit was included in the FY 2024-25 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Memo

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

Date: Friday, November 14th, 2025
To: Brian Evans, Metro Auditor
From: Marissa Madrigal, Chief Operating Officer
Subject: Supportive Housing Services Follow-up Audit

Management would like to thank the Auditor's Office for its thoughtful and thorough follow-up review of the Supportive Housing Services (SHS) program. We appreciate the clarity this audit brings to areas of progress as well as those requiring sustained focus.

The findings reflect the significant work completed over the last 18 months to strengthen oversight, improve reporting systems, and support a more coordinated regional approach to homelessness response. As the detailed responses show, Metro has implemented more than half of the recommendations, and the remaining items are either underway or are being considered in ongoing program reform discussions.

We value the audit as an accountability tool, and we agree with its central conclusion: the Supportive Housing Services program is stronger today than it was 18 months ago, particularly in program oversight, data infrastructure, and long-term planning.

Management also appreciates the Auditor's acknowledgment that data reliability and reporting alignment continue to evolve. The steps Metro has taken — including new annual and quarterly templates, direct data-sharing agreements, clarified data methodologies, and an external evaluation in partnership with Portland State University — demonstrate our commitment to continuous improvement in these areas.

While management agrees with the audit's identification of needed improvements in areas such as monitoring consistency, data standardization, and programmatic goals & metrics, it's important to acknowledge the structural limitations that have impacted progress. This is evident in several of the "in progress" statuses (monitoring framework, corrective actions, reporting), where the multi-layered governance model in which the program was built on has impacted the ability to make responsive improvements at the speed in which this regional crisis demands.

Metro can monitor, convene, and recommend — but under our current governance structure Metro cannot unilaterally redirect funds, change program requirements, direct specific actions, or impose operational changes without county consent. The requirements for county agreement, negotiation, and joint decision-making described throughout the audit illustrate how the collaborative structural design of the program has become a core barrier to regional implementation, accountability, and programmatic progress.

For this reason, several of the audit's findings — while accurate in identifying programmatic issues — point to barriers that are not solvable through operational improvement alone. They require structural changes in the program's accountability framework. These limitations do not

diminish Metro's responsibility, but they do shape the pace and scope of change that can be driven independently.

Extensive stakeholder engagement has helped inform priorities identified in Metro Council's ongoing SHS reform discussions, including governance changes to strengthen accountability and clarify oversight roles and authority. Solutions to address the audit recommendations that remain "in process" — including monitoring criteria, corrective action protocols, and financial transparency requirements — will be informed by the SHS reform process and timeline.

It's important to note that program reform priorities extend beyond governance and structural improvements. They align with many of the recommendations included in this audit, seeking to strengthen service delivery, improve participant outcomes and create a homelessness response system capable of sustaining success over time.

Metro remains committed to the program's success, to shared regional accountability, and to a transparent approach to both progress and challenge. We look forward to continuing this work with our county partners, committee members, and the public.

Recommendation 1: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Set up a process to ensure each oversight body gets timely information about each other's work.*

Status: Implemented.

Metro staff engaged with the co-chairs of the Supportive Housing Services Oversight Committee (SHSOC) and Tri-County Planning Body (TCPB) to shape the frequency and content of the updates they would receive to ensure access to timely information. As a result, the SHSOC now receives monthly progress reports and the latest approved minutes from TCPB in their meeting packets. TCPB receives the latest approved minutes from the SHSOC in their meeting packets.

Further, staff from both committees consistently provide verbal quarterly updates and answer questions from the other committee. In addition, the co-chairs of both committees meet monthly to share committee updates.

On a regular basis, both committees also receive relevant presentations from each other: TCPB receives presentations on the SHSOC annual regional report, while the SHSOC receives presentations on the research and implementation plans for TCPBs regional goals and areas of focus.

Recommendation 2: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Increase the frequency of program updates to Metro Council.*

Status: Implemented.

Working with Metro Council staff, Housing leadership developed a calendar for program updates to Metro Council, increasing the number of public Supportive Housing Services (SHS)

work sessions and ensuring timely, ongoing program oversight and direction. An engagement calendar was completed in February 2024 in coordination with Council staff and the COO's office, and is continually updated in response to evolving Council, program and department needs.

To further support this work, Metro Housing created a Council Liaison position in November 2024 to lead the charge in developing and executing legislative, engagement and political strategies, coordinate departmental presentations for Council, create and work with departmental subject matter experts to develop impactful presentation materials, and ensure timely submissions of all legislative documents. They serve as the primary liaison to the Metro Council Office, Council policy advisors and Metro's Government Affairs team and serve a critical role in the ongoing success of this recommendation.

Recommendation 3: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Get input from Metro Council, Tri-County Planning Body, and Regional Oversight Committee about the variety of experience needed to provide independent oversight among the members of the Regional Oversight Committee.*

Status: Implemented.

Metro staff gathered input from the Metro Council on the expertise and experience needed among members of the SHSOC through briefings in January and February 2024, and from the SHSOC through a survey in March 2024. Staff also met with the SHSOC co-chairs in February 2024 to focus on the topic. Overall, the feedback confirmed that the current charter and membership requirements accurately outline the necessary expertise and experience. However, the committee's makeup at that time did not fully reflect these requirements. For example, respondents highlighted gaps in representation, specifically those with lived experience of homelessness and from certain business sectors. These priorities shaped the recruitment approach for new members in summer 2024.

Council feedback raised a need for greater impartiality in membership. This was integrated into Metro Council President Peterson's review of recruitment pools and candidates, and it has further been integrated into the considerations and potential structures being discussed by Metro Council for reformed SHS governance. Council action is expected on select reforms, including committee consolidation, in late 2025 or early 2026. Updated membership criteria is expected to be part of the new committee structure.

To further address greater impartiality, staff have improved conflict-of-interest identification by conducting more thorough reviews during recruitments, soliciting annual updates to conflict-of-interest forms, and requiring members to declare conflicts of interest at the start of each committee meeting wherein decision making will occur.

Recommendation 4: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Document criteria and processes for monitoring up to 25% of county program activities.*

Status: In process.

We appreciate the audit's conclusion that continued improvement is still needed. This conclusion reflects a core structural limitation: Metro is responsible for regional accountability but cannot independently define or enforce monitoring criteria. As stated in the audit, "*The intergovernmental agreements Metro has with each county state that each party must agree on the monitoring plan. This requirement may undermine the efficiency and effectiveness of monitoring*."

Monitoring is a key aspect of maintaining accountability in partner usage of SHS resources. This includes periodic and systematic reviews of programmatic records for compliance with agreed-upon requirements and identifying areas of noncompliance, so issues can be addressed promptly. Monitoring also assists in confirming that financial and programmatic records align with previous reporting.

Monitoring can be differentiated from Metro's other administrative oversight responsibilities, such as evaluation, in that it involves reviewing a representative sample for compliance across multiple areas, rather than analyzing data to draw conclusions about how effective funded programs are. Per the Intergovernmental Agreements (IGAs), Section 6.5.3, Metro can monitor up to 25% of county program activities.

Metro staff agree that a multi-year monitoring framework could be a more effective approach. The current yearly approach was the result of an iterative process of negotiation with county partners, as the Intergovernmental Agreements (IGAs) with the counties require joint development and approval of a monitoring plan. Section 6.5.3 states: *"Ahead of any monitoring event under this section, the Parties must develop a written plan describing how Metro will conduct its review"*.

In March 2024, the first draft of SHS Monitoring Policies and Procedures, which proposed a multi-year framework, was provided by Metro to county partners for the purpose of soliciting feedback prior to adoption and implementation. Metro staff developed this draft with the support of a qualified consultant – Homebase. In May 2024, county partners collectively expressed that they were unwilling to adopt the draft policies and procedures as written and were averse to continuing work with Homebase. Due to the limited capacity counties had to offer this process, they communicated that they would rather negotiate yearly monitoring frameworks instead of a multi-year monitoring framework. They requested a collaborative process to develop monitoring policies and procedures together. This request required Metro to adjust the previously planned April 2024 milestone for initiating monitoring.

In the summer of 2024, Metro hosted two strategy sessions with county monitoring staff to collaboratively define monitoring and reach agreement on the framework, which included policies, procedures, proposed areas of focus, and required county documentation. Following

these sessions, Metro provided an updated draft to the counties with a deadline for feedback set for October 2024.

Having provided an updated draft and a clearly defined deadline for feedback, Metro anticipated finalizing the monitoring framework and launching monitoring for each county in early 2025. However, county partners again raised concerns with the updated draft monitoring framework that needed to be resolved before they could agree to the final monitoring policies and procedures. Given the IGA requirements for joint development and approval outlined above (Section 6.5.3), Metro could not proceed with monitoring until consensus was reached.

From fall 2024 through early 2025, Metro continued this strategic dialogue and revised the framework with designated county representatives. These discussions led to a third monitoring strategy session in April 2025, aimed at resolving remaining areas of disagreement. The session was productive and a final monitoring framework incorporating all negotiated updates was distributed in May 2025.

All counties have accepted the final monitoring framework and agreed to begin monitoring in August 2025. All counties were issued formal written notice of upcoming monitoring, and Metro has since conducted monitoring in all three counties. High-level updates will be provided to the SHS Oversight Committee in December 2025.

Recommendation 5: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Document criteria and processes for implementing corrective action plans.*

Status: Not implemented.

While management broadly agrees with this recommendation, establishing a comprehensive compliance framework has been identified as a critical need and may influence specific CAP criteria or processes. Specifically, Metro Council SHS reform discussions have identified the need for a compliance framework to include a clearer process and structure to enable escalating corrective action for persistent non-compliance and ongoing poor performance.

The CAP process, similar to monitoring, is another example in which Metro's oversight authority is limited. Under current IGAs, CAPs are one of the few tools available to Metro to address performance issues or non-compliance by SHS implementation partners. Section 6.3.5 of the IGA outlines that a CAP can only be requested "*after appropriate notice and opportunity to remedy identified concerns*" and limits the purview of these concerns to adherence "*to the terms of its Plan, current Annual Work Plan or Annual Program Budget, or current spend-down plan.*"

Critically, CAPs also require joint approval from both Metro and the county; joint approval means that CAPs must be co-created by Metro and the impacted partner, which can influence the scope of the CAP and the time it takes to come to a shared agreement. As an example, Multnomah County was placed under a Corrective Action Plan (CAP) for fiscal year 2024 (FY24) – the first time a county was placed on a CAP within the SHS program. Metro initiated the CAP in April 2023 due to Multnomah County's material deviation from their FY23 SHS

spend-down plan (as of Q3 that fiscal year, Multnomah County had spent approximately $40 million of their $123 million outlined in their spend down plan) but it took over three months for Metro and Multnomah County to settle on CAP terms.

Recommendation 6a: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Providing a full list of responsibilities assigned to it.*

Status: Implemented.

Staff reviewed governing documents for SHS, identifying and compiling all provisions related to the roles and responsibilities of the SHSOC by area of focus. Staff shared this document with the SHSOC in January 2024, and it now is included in every committee packet.

In September 2024, staff provided an updated version to clarify financial responsibilities. This list is reviewed as part of the onboarding process for new members, and it remains integrated into presentations before key bodies of work, such as the annual report and work plan review. Staff continue to identify gaps and make needed improvements to enable the SHSOC to fulfill its responsibilities, including administrative improvements outlined below.

Strengthening the committee's role and authority remains a priority for Metro and the SHSOC. Since February 2024, Metro has been engaged in conversations around SHS reform. One of the recurring priorities identified by President Peterson, other councilors and stakeholders is the need to reform SHS's governance structure to strengthen oversight, accountability and outcomes. Council action is expected on select reform actions, including committee consolidation in late 2025 or early 2026. This is expected to refine and streamline the role and responsibilities of the SHSOC and TCPB, and collapse these into a single oversight and policy body.

Recommendation 6b: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Providing sufficient data to evaluate administrative spending and make recommendations.*

Status: Implemented.

Metro and county administrative rates were included in the SHSOC's annual regional report for FY23, which was developed in Winter 2023 and finalized in March 2024. Beginning with the FY24 quarter one report – received by Metro in November 2023 and shared with the SHSOC in January 2024 – Metro staff included jurisdictional administrative expenditures in the quarterly financial report. Prior to this change, the quarterly financial reports included only Metro's administration and oversight costs.

In July 2024, the annual reporting template was also updated to include administrative spending requirements for contracted providers. Counties provided this breakdown for the first time in FY24 county annual reports. The information was provided to the SHSOC for review in January

2025, and the committee's analysis and recommendations were incorporated into the FY24 annual regional report. To allow sufficient time for committee review and approval, presentations to the Metro Council and county boards were rescheduled to March and April 2025, instead of the originally planned February timeline.

County annual reports will continue to include contracted provider administrative rates to support the SHSOC in fulfillment of its oversight responsibilities throughout the remainder of the program's implementation.

Recommendation 6c: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Providing sufficient data to evaluate spending on Populations A and B.*

Status: In process.

Management agrees with the audit's status for this recommendation. In response to Metro's request for standardized Population A and B data in the counties' annual reports for FY23, a joint memo was submitted by the counties to Metro on December 29, 2023. This memo provided FY23 spending data by Population A and B, with the expectation that this information would be aggregated and included in the FY23 annual regional report by the SHSOC.

Upon review of the joint memo, Metro found the submitted spending data insufficient. Significant variability existed among counties in reported service types, data availability, assumptions, cost definitions, and allocation methods. As a result, Metro could not determine regional spending by Populations A and B and was unable to include the data in the FY23 annual regional report as originally planned. Metro communicated these concerns to the counties and SHSOC in a memo dated January 22, 2024. Both the counties' original joint memo and Metro's response outlining data alignment issues were included as exhibits in the FY23 annual regional report, published in March 2024.

To improve reporting in FY24, Metro issued guidance to the counties on June 24, 2024, in a memo titled, "Population A and B: Definition Clarification & Financial Split Methodology." This memo provided financial requirements and a standardized template for the FY24 county annual reports.

In October 2024, counties raised concerns about the guidance – particularly the financial reporting requirements – to Metro. The counties submitted FY24 financial information using methodologies consistent with FY23 annual reports, which conflicted with Metro's updated guidance and differed across counties.

At the recommendation of the SHSOC co-chairs, Metro and the counties met in January 2025 to discuss concerns, establish priorities and define steps to ensure consistent regional financial data moving forward. Following this meeting, counties submitted financial data using Metro's template in January 2025. This newly standardized data was included in the FY24 annual regional report, published February 2025. However, due to timing constraints related to annual

report submission and budget development, the SHSOC was unable to provide recommendations for Population A and B budgeting for FY25 in the FY24 annual regional report.

To resolve the remaining reporting challenges, Metro and the counties formed a workgroup for Population A and B reporting prior to FY25 county annual report development. Through this workgroup, financial reporting methodology was finalized and agreed on by all four jurisdictions. The FY25 annual financial report now utilizes a standard for reporting Population A and B. One section that was agreed upon to report additional Population A and B data for "Other Supportive Services" did present some challenges as each county reported on this category differently when they created their FY25 budgets and prior reports. However, this will be resolved in FY26, as all counties budgeted using the updated SHS financial templates for FY26.

In FY26, Metro and the counties will focus on implementing an updated Population A and B intake form and aligning data entry and HMIS questions with the updated intake form. This work will support the department with monitoring Population A and B spending trends and addressing discrepancies as needed.

Recommendation 6d: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Ensure the Regional Oversight Committee can fulfill its responsibilities by: Including data and recommendations about administrative spending and spending on Populations A and B in the annual report to Council.*

Status: In process.

The SHSOC's annual regional report to the Metro Council for FY24 included administrative financial details for Metro and the three counties, as well as administrative rate information for contracted service providers. Beginning in October 2024, counties provided Metro with a breakdown of administrative spending by contracted service providers as part of the FY24 county annual reports. Metro presented this information to the SHSOC in January 2025 for review and consideration of future recommendations on administrative spending rates. The committee's analysis and recommendations were incorporated into the 2025 annual regional report published in March 2025.

As noted in Metro's response to recommendation 6c, counties included Population A and B expenditure data in their annual reports, but the data was not standardized regionally. In January 2025, Metro and the counties met to address these inconsistencies, discuss concerns, develop priorities and define steps for aligning financial data across the region. Following this meeting, counties subsequently resubmitted financial data using Metro's template in January 2025, which was integrated into the FY24 annual regional report.

Despite this progress, the SHSOC's FY24 annual regional report highlighted ongoing challenges in county reporting on Population A and B. Key issues identified included inconsistent service type categories, allocation methods, assumptions and definitions, all of which hinder regional analysis.

In response, Metro and the counties formed a workgroup to develop strategies for addressing these challenges. As a result, counties were able to submit FY25 annual reports in October 2025 with accurate and consistent Population A and B spending information. The FY25 annual regional report including this information is expected be presented to Council in March 2026.

Recommendation 7: *To ensure timely and ongoing program oversight, the COO's Office and Metro Housing should: Establish an annual process for Metro Council, Tri-County Planning Body, and Regional Oversight Committee to review the funding allocations for each county and adjust if needed.*

Status: Not implemented.

Management's recommendation to the Metro Council has been to not revisit the SHS fund allocation methodology at this time. As Metro has continued to receive data on tax receipts and taxpayers, it has become clear revising the fund allocation methodology is not a simple, objective task. The methodology in the measure aimed to allocate tax revenues based on income tax generation by county. In practice, SHS income taxes are generated in the three counties, in other states across the US, and in parts of Oregon outside the Metro region. There is no agreed upon methodology for allocating the revenues that acknowledges the wide variety of source locations. In the most recent analysis by Metro staff, at least 25% of the SHS income tax revenue in tax year 2023 was sourced outside the Metro region. Additionally, regional data remains insufficiently aligned to support a meaningful review of the existing methodology or the development of a viable alternative. Metro will continue to assess the SHS tax structure to determine whether a methodology review is appropriate in the future.

The Metro Council remains focused on the development of a regional system. Meaningful analysis of how funding should be allocated – beyond how or where the revenue is generated – requires clarity about program needs, goals, and priorities and how the program operates and reacts to other systems and externalities (including changes in federal funding). Metro Council SHS reform priorities prioritize system improvement and strategies to improve how county partners can collaborate to achieve higher efficiencies and serve more people, which will inform analysis and cadence of reallocation.

Recommendation 8: *To improve the reliability and consistency of program performance data, Metro Housing should: Clarify the goals related to serving 5,000 people and 10,000 households.*

Status: In process.

In January 2024, Metro reviewed SHS governing documents that referenced the 5,000 and 10,000 goals. This review revealed inconsistencies across documents, which – as noted in the audit – "create[d] a barrier to understanding program goals" and had "a direct effect on what is expected and what data points are appropriate to evaluate progress." For example, the SHS Work Plan defined the goals as "as many as," while the Metro Housing department budget documents and Metro's SHS website defined them as "at least."

In June 2024, Metro issued a memo to counties clarifying the regional goals of serving 5,000 people and 10,000 households. For regional consistency, the guidance established standard definitions for use across all documents and communications:

- Connect *at least* 5,000 households (that meet the definition of Population A) experiencing homelessness to permanent supportive housing
- Stabilize *at least* 10,000 households (that meet the definition of Population B) at risk of or experiencing homelessness in permanent housing

Currently, the SHS Work Plan is the only remaining governance document that does not reflect these updated definitions. Final resolution of this recommendation is pending, along with other recommendations that require amendments to SHS governance documents.

While the data is now reported consistently, there is some variability in the language that is used to effectively communicate with different audiences. As noted in the audit, this may at times lead to confusion and have wider implications for program implementation – for example, using "chronically homeless households", "homeless households," and "households experiencing prolonged homelessness" in the FY24 annual regional report to refer to those connected to permanent supportive housing. The language used to refer to those served by the respective goals will be consistent in the FY25 annual regional report that will be published in early 2026.

Metro staff agree that despite these improvements, the 5,000 and 10,000 goals as initially conceived and currently reported do not directly measure reductions in homelessness across the region. Though demonstration of those relative reductions was not the intention of these goals nor a commitment of the original SHS measure or governing documents, Metro Council and stakeholders throughout the region have been engaged in conversations about reforming SHS goal setting, data collection, and reporting to allow for this sort of outcomes-focused understanding of programmatic impact. For example, Metro Council is considering a Housing Department proposal to track and publicly report environmental indicators (e.g. eviction rates, overall rates of homelessness) via an interactive dashboard so that the public can better understand the relative impact of SHS resources in regional homelessness systems.

Recommendation 9: *To improve the reliability and consistency of program performance data, Metro Housing should: Define which service types are used to report on progress towards the 5,000 and 10,000 goals.*

Status: In process.

In June 2024, Metro issued a memo to clarify how the current state of services aligns with the 5,000 and 10,000 goals and which service types count toward which goal. (This memo was also referenced in response to recommendation 8.) County staff and SHSOC co-chairs were informed of this work, but engagement with other stakeholders was more limited than anticipated in the original management response provided to the Metro Auditor in January 2024. This was due in part to the prior establishment of definitions for service types and their corresponding goals in existing documents; there were no decisions that needed to be made prior to the clarification of the definitions.

The current guidance provided in the memo stated:

- Permanent supportive housing placements for households that meet the definition of Population A counts toward the 5,000 goal.
- Homelessness prevention and rapid rehousing for households that meet the definition of Population B count toward the 10,000 goal.

Also in June 2024, Metro issued an updated annual reporting template requiring counties to disaggregate data by both program type and population (e.g., "number of households served in preventions who were in Population B"). The quarterly reporting template, initially expected to be finalized in July 2024, was delayed until October due to county feedback and concerns.

Despite this delay, Metro began receiving disaggregated Population A and B data from the counties for all service types starting with FY25 quarter two reports submitted in February 2025. However, this information was not included in the annual regional report for FY24 due to discrepancies in historical data for years one through three. These discrepancies must be resolved to ensure alignment with current guidance before Metro can confidently validate counties' progress to date, which is in progress; the data sharing agreement is now in effect and Metro received data in August 2025. Metro and county staff are working towards reconciling and validating this data in FY2026.

Metro updated both quarterly and annual reporting templates to reflect the clarified goals and definitions. Although full implementation of the revised guidance for prior previous fiscal years will take time, Metro and county partners continue to make progress towards alignment. With updated annual reporting templates, Metro anticipates improved reliability and consistency in program performance data when counties submit their reports in October 2025.

Additionally, Metro staff are in the process of developing administrative rules that will further define and clarify funding requirements for Supportive Housing Services progress and assist in building towards a regionalized homelessness system of care. These requirements will provide clarity on housing program types, including, but not limited to, housing only.

Recommendation 10: *To improve the reliability and consistency of program performance data, Metro Housing should: Develop a performance measure to evaluate the quality of services provided.*

Status: In process.

In March 2024, the Metro Housing department expanded staff capacity to help advance oversight and quality improvement measures. To further support this work, Metro sought external technical expertise to address immediate program evaluation needs and assist in the development of performance measures to evaluate service quality. Metro identified Portland State University's (PSU) Homelessness Research & Action Collaborative (HRAC) as the consulting partner.

The Intergovernmental Agreement between Metro and PSU was executed in May 2024 and the scope of work included interviews with interested key parties and subject matter experts. HRAC

continues to make progress on its deliverables and is on track to submit a final evaluation framework by December 2025. This evaluation framework is expected to include elements such as proposed key performance metrics, dataset recommendations, data collection and analysis methods, and reporting systems. Metro expects to start initiating program evaluation using this framework in early 2026.

Recommendation 11a: *To improve the reliability and consistency of program performance data, Metro Housing should: Use existing data to provide more context for county and regional performance by adding the following to quarterly and annual reports: Retention and returns to homelessness compared to the number of people served.*

Status: In process.

Retention rates and returns-to-homelessness for households placed in permanent supportive housing and rapid rehousing were reported in the counties' annual reports for FY23 submitted in October 2023. This data was integrated in the FY23 annual regional report, released in March 2024. This data was also submitted by the counties in their annual reports for FY24 in October 2024, enabling its inclusion in the SHSOC's regional annual report for FY24. In addition to the overall metric, this data is also disaggregated by race, supporting analysis of how effectively the regional system addresses racial inequities.

Upon further review, Metro determined that collecting retention and return-to-homelessness rates annually, rather than quarterly, would improve data accuracy, due to the timing of data entry and reporting. In July 2024, county annual report templates were updated to include a consistent methodology to track regional retention and return-to-homelessness rates. The 12- and 24-month timespans for retention and returns to homelessness align with best practices for tracking this regional outcome metric.

In addition, Metro proposed a new performance metric for the counties annual report template for FY25: the number of households served with Ongoing Housing Support. This addition would allow Metro to measure not only retention rates, but the total number of households currently receiving ongoing housing support.

The FY25 county annual report template was finalized in June 2025, but with a key revision: the Inflow/Outflow metric was changed from "households" served to "individuals." This adjustment was necessary because not every county was able to report relevant household-level data. Shifting to individual-level data provides greater consistency and ensures Metro can better align retention and return-to-homelessness rates compared to individuals served.

As a result of this change, Metro can now include this data in the FY25 regional annual report, following receipt of county annual reports due to Metro in October 2025.

Recommendation 11b: *To improve the reliability and consistency of program performance data, Metro Housing should: Use existing data to provide more context for county and regional*

performance by adding the following to quarterly and annual reports: The capacity of permanent supportive housing compared to the overall need.

Audit finding: In process.

In addition to tracking progress on the SHS Work Plan's regional goals, an important measure of SHS system performance is the number of permanent supportive housing (PSH) units created with SHS funding compared to the overall need. In FY24 annual reports submitted to Metro in October 2024, the counties provided the number of SHS-funded PSH units added and estimated individuals in need of PSH in year three of SHS implementation. This data will be included in the annual regional reports moving forward, using the 2021 estimate of individuals in need of PSH as a baseline to understand changes in need over time.

In July 2024, Metro updated the county annual report templates accordingly to include a standardized methodology for tracking PSH data. Metro continues to explore improvements to regional data consistency and reliability, particularly estimates of overall PSH need, and will issue updated methodological guidance as needed.

Recommendation 12: *To improve the reliability and consistency of program performance data, Metro Housing should: Create a process to check the accuracy of county quarterly and annual reports and require counties to identify if they have revised data reported previously.*

Audit finding: In process.

In March 2024, the Metro Housing department hired staff that would be dedicated to reviewing and analyzing SHS data. These staff support quality assurance efforts by verifying the accuracy of county quarterly and annual reports, providing technical assistance to the counties, and addressing reporting errors.

To ensure data reliability, Metro began issuing formal quarterly performance review letters to counties. The letters document for the counties a summary of Metro's analysis of the data, highlight any issues or questions, and identify any necessary updates to the submitted data.

Additionally, in spring 2025, Metro and the counties finalized data sharing agreements, resulting in Metro receiving the negotiated data beginning in August 2025. The agreement allows Metro to receive raw, disaggregated data directly from the counties' HMIS. This will support Metro's ability to monitor and validate data submitted in quarterly and annual reports.

In July 2025, Metro provided an updated quarterly report template draft for FY26 to all three counties. One notable addition is a footnote in the data table and disaggregation section stating "*The data received each quarter may be slightly different than the revised and most up-to-date information received in the annual report. Data from the annual report will be used for final year-end figures*." This note anticipates and acknowledges that data may be revised in the county annual reports. Metro updates quarterly and annual reports each fiscal year and Metro will continue to make applicable changes as needed.

The nature of collecting and accurately reporting homeless services data – which requires thousands of individuals across the region to input information into HMIS in a timely and accurate manner – means that quality assurance work is an important and expected part of the process. Typically, initial reporting is an undercount due in part to the turn-around time associated with regular quarterly reporting. Providers and counties perform their own quality assurance, and corrections can take time.

Metro's process of validating data accuracy is done through internal tools that allow for further quality control. This will highlight any discrepancies in numbers, errors in calculations, and cross reference data with previous quarters and/or fiscal years.

Although we have these system processes and internal tools, there will always be slight variations in the data for several reasons beyond our control:

- Front line staff completing data entry after reporting period
- Incorrect grouping of service providers in program categories
- Numbers can fluctuate and often increase due to the complexity of braided funding

Considering these inevitable aspects of service reporting, one purpose of annual reporting – which is a longer, more in-depth process than quarterly reporting – is then to aggregate the updated, validated data and provide it for the entire reporting period.

Recommendation 13a: *To improve the reliability and consistency of program performance data, Metro Housing should: Update reporting templates to: Add data about the percentage of the counties' total spending that comes from SHS.*

Audit finding: Implemented.

In February 2024, Metro discussed and gathered feedback from the counties regarding updates to reporting templates, including adding a requirement to provide leveraged funding. In June 2024, leveraged funding was added to the annual report template provided to the counties and was incorporated into the county annual reports for FY24.

While counties submitted some information—for example, Clackamas County provided a list of funding sources and their uses—none provided the financial data Metro requested to determine what percentage of each county's total spending is funded by SHS. All three counties expressed disagreement with Metro's interpretation that this level of financial reporting falls within the scope of SHS oversight.

Metro worked with the counties to reach agreement on the data needed to address this recommendation. For example, Metro collaborated with the counties to revise the leveraged funding chart in the county annual report template for FY25. This updated version, accepted by all county partners in June 2025, is included in the FY25 county annual reports.

Recommendation 13b: *To improve the reliability and consistency of program performance data, Metro Housing should: Update reporting templates to: Add line items for spending on each service type provided.*

Audit finding: Implemented.

In February 2024, Metro met with the counties to discuss updates to the reporting templates, including revisions to the budget service lines in the financial reporting workbook, and gathered county feedback. To support analysis and oversight, Metro then collaborated with the counties to revise the financial reporting templates for FY25. In July 2024, a final version of the financial reporting workbook, aligned with programmatic reporting, was provided to the counites.

Starting with the FY25 quarter one reports, submitted by the counties to Metro in November 2024, counties now report more financial data. For example, all county reports include a specific budget line item for "shelter," rather than broader categories that may have grouped shelter with other costs. This increased level of detail applies across all program areas, including permanent supportive housing, eviction prevention, regional strategy implementation, etc.

Recommendation 14: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Research relevant studies of the program impacts on SHS' target populations.*

Audit finding: Implemented.

All research conducted on behalf of the TCPB has been in service to the six regional goals identified in 2023. This research has been carried out by Metro and county staff, as well as consultants, Homebase and Focus Strategies.

In support of the technical assistance goal, Metro launched a research and demonstration pilot project focused on permanent supportive housing. The purpose of this pilot is to evaluate its impact on Supportive Housing Services' target populations and inform broader policy development for PSH implementation. For the training goal, Metro developed a comprehensive research paper and gap analysis examining current training opportunities for frontline workers both locally and nationally. Pilots to advance implementation of the training goal are currently in development.

Findings from this research continue to support the development and regional implementation of strategies aligned with the TCPB's six goals. Research related to landlord recruitment and retention, coordinated entry, healthcare system alignment and employee recruitment and retention were presented to the TCPB by July 2024. Research supporting technical assistance was presented to TCPB in February 2025 and training was presented in May 2025.

This body of research is helping build a more coordinated and interconnected housing and homeless services system – one where clients can expect a consistent level of care, and service providers have access to the tools and training necessary to delivery that care equitably across

the region.

Recommendation 15: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Research best practices for communicating program results to increase understanding among decision-makers and the public.*

Audit finding: Implemented.

The Metro Housing communications team continues to implement best practices in strategic communications, including robust storytelling across Metro News, earned media, social media platforms, paid community media and email marketing. In addition, Metro's Housing communications team has prioritized strong collaboration and partnership with the counties to strengthen and support a unified regional response.

To date, the partnership between Metro and the counties has resulted in several coordinated communications efforts. These efforts have had meaningful impacts, including strengthened working relationships between Metro and county communications teams and a measurable increase in earned media coverage, particularly through television news segments that highlight SHS-funded programs and services. Metro remains committed to advancing a coordinated regional communications approach that promotes transparency, builds public trust, and highlights the collective impact of SHS investments across the region.

Metro will be hiring a consultant to support the development of a regional communications strategy. This planning effort is scheduled to begin in November 2025 and is anticipated to be completed by winter 2026. As the strategy develops, Metro will update the Metro Council, SHSOC, TCPB, and Metro advisory bodies such as Metro Policy Advisory Committee, to inform and provide opportunities to contribute feedback as appropriate.

Recommendation 16: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Advise Boards of County Commissioners, Metro Council, and Metro Housing periodically on the results of the research.*

Audit finding: Implemented.

Research findings on five of the six TCPB goals – coordinated entry, landlord recruitment and retention, healthcare system alignment, technical assistance and training – have been presented before the SHSOC. On July 28, 2025, the SHSOC received a presentation on the final goal, employee recruitment and retention, and are expected to approve the implementation strategy in late 2025 or early 2026.

In October 2024, Metro staff presented an update on TCPB's work to the Metro Council and Councilors receive updates on TCPB during monthly check ins. In addition, at the request of

Metro Council President Peterson, TCPB Co-Chair and Metro President's Work Group member Mercedes Elizalde gave the Work Group an overview of TPCB in March 2025.

Metro Housing department staff are currently developing a comprehensive engagement strategy. This strategy may include a series of presentations to the Metro Council on all TCPB goals and implementation strategies in coordination with a roadshow to county boards, along with briefings, email updates, and one-on-one meetings with councilors.

Although communication with other legislative bodies was delayed during the first half of 2025 due to active Supportive Housing Services reform discussion, these engagements remain a priority for Metro and TCPB continues to include dedicated representation from each county board.

Recommendation 17: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Advise the Regional Oversight Committee and Metro Housing about best practices for communicating program results to ensure understanding*.

Audit finding: Implemented.

Members of the TCPB and SHSOC are regularly kept informed of each other's work. Meeting minutes from both bodies are included in the meeting packets for each committee to promote transparency. In addition, Metro hosts a monthly joint meeting of the co-chairs of all three housing-related committees, SHSOC, TCPB and the Affordable Housing Bond Oversight Committee to foster collaboration and awareness.

Metro Housing communications staff attend every committee co-chair meeting to identify opportunities for communicating program updates and outcomes to the public. Metro also developed a process for updating the TCPB and SHSOC quarterly on the progress of implementing each goal area.

At this stage, best practices for communicating program results have not yet been formally shared with the SHSOC, TCPB or Metro Housing, as the regional communications strategy is still under development. Metro Housing is scheduled to hire a consultant in November of 2025 to support development of the strategy and expects a final deliverable in winter 2026. As the strategy is developed, SHSOC and TCPB members will be updated and given opportunities for feedback.

Though the strategy has yet to be finalized, and governance reform decisions are pending, Metro has worked to raise public awareness of SHS fund effectiveness. Examples of this work include Metro website, public education campaigns and ongoing partnerships with local media to highlight successes (a recent example is related to the regional healthcare systems alignment goal). These, as well as other efforts to improve the public's understanding of program results, will continue through the development of the final strategy.

Recommendation 18: *To identify programs that provide efficient, effective, and equitable services to inform long-term planning, the Tri-County Planning Body should: Use research, program data, and financial projections to inform strategies for the regional program.*

Audit finding: Implemented.

Metro, in support of the TCPB, has applied a combination of research, program data and financial analysis to guide the development of regional strategies.

In spring 2023, following a competitive procurement process, Metro contracted with a pool of qualified technical consultants. Their scope of work included research, stakeholder engagement, data scans, scenario planning, budget development, and other technical tasks for the following goal areas: landlord recruitment and retention, coordinated entry, employee recruitment and retention, and healthcare systems alignment.

These efforts directly informed the regional strategies approved by the TCPB for five of the six goal areas: landlord recruitment and retention, training, technical assistance, healthcare systems alignment and coordinated entry. On July 28, 2025, the SHSOC received a presentation on the final goal, employee recruitment and retention, and is expected to approve the implementation strategy in early 2026.

Metro has also advanced implementation efforts for training and technical assistance. In June 2025, Metro launched a technical assistance demonstration project to identify ongoing needs among permanent supportive housing providers. In May 2025, the research phase of this training initiative was completed, including piloting an on-demand training program using national providers. In June 2025, Metro finalized an intergovernmental agreement with Portland Community College to develop and establish a new leadership training academy for the region's housing workforce.

In January 2025, Metro began providing the TCPB with quarterly implementation and financial reports for the landlord recruitment and retention implementation strategy. In June 2025, these quarterly updates expanded to include the coordinated entry plan and the technical assistance pilot project in addition to continued updates on landlord recruitment and retention. This quarterly reporting cadence is now established and will continue throughout the year.

Metro remains committed to addressing the recommendations identified in this audit and to strengthening the SHS program in partnership with our county colleagues and regional stakeholders. As Metro advances its reform work, we will continue to prioritize transparency, shared accountability, and thoughtful implementation grounded in data and community need. We appreciate the Auditor's Office for its continued partnership in ensuring this program evolves to meet its goals and delivers effective, coordinated homelessness services across the region.



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Portland, Oregon 97232
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Supportive Housing Services Audit Follow-Up

Why this audit is important

The purpose of this audit was to follow up on recommendations from our January 2024 audit, *Supportive Housing Services: Shared Oversight reduces transparency and accountability*. The audit included 18 recommendations focused on governance, data reliability, and long-term planning.

Voters in the Metro region approved a ballot measure in 2020 to establish a region-wide supportive housing services program (SHS). The measure's income and business taxes were projected to generate about $250 million annually. The 10-year program sought to connect 5,000 households experiencing homeless to permanent supportive housing and stabilize 10,000 households at risk of, or experiencing, homelessness in permanent housing.

The scope of this follow-up audit was the activities of the Supportive Housing Services program since the release of the audit in January 2024 through September 2025.



Source: SHS 2023-24 Regional Annual Report

What we found

The Housing Department made progress implementing most of the 2024 audit recommendations. Some areas related to program oversight and data reliability could benefit from continued improvement.

Status of 2024 Audit recommendations
Program oversight
• 3 implemented • 2 in process • 2 not implemented
Data reporting and reliability
• 1 implemented • 5 in process
Long-term planning and communications
• 5 implemented

Source: Summary of recommendation status for 2025 SHS follow-up report

Most recommendations for program oversight were either implemented or in process. Oversight bodies received more timely updates and more data. The Regional Oversight Committee received improved guidance about their responsibilities. Some areas would benefit from continued improvement, including program monitoring, corrective action plans, and the spending guidelines for target populations. In addition, funding allocations still do not align with each county's need.

Most of the recommendations related to data reporting and reliability were in process. New reporting guidance implemented one recommendation. Work was done to improve data reliability and add information about costs and housing retention. Although data reporting and reliability improved, decision makers and the public need more specific and accurate data to understand program outcomes.

The Department implemented all recommendations related to long-term planning and communications. The Tri-County Planning Body approved implementation plans for most of their regional goals and those plans were based on research. The Department expanded their communications team and stated they were developing a regional communications strategy. Some areas, such as eviction prevention and shelter care, could still benefit from research to inform strategies.

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Metro

Agenda #: 5.1

File #: RES 25-5541 **Agenda Date:**12/18/2025

Resolution No. 25-5541 For the Purpose of Metro Council's Acceptance of the Results of the Independent Audit for Financial Activity During Fiscal Year Ending June 30, 2025

Brian Evans (he/him), Metro Auditor
Brian Kennedy (he/him), Chief Financial Officer
Ashley Osten (she/her), Principal, Baker Tilly

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF METRO COUNCIL'S ACCEPTANCE OF THE RESULTS OF THE INDEPENDENT AUDIT FOR FINANCIAL ACTIVITY DURING FISCAL YEAR ENDING JUNE 30, 2025	)))))	RESOLUTION NO. 25-5541 Introduced by Chief Operating Officer Marissa Madrigal in concurrence with Council President Lynn Peterson

WHEREAS, Oregon Revised Statutes 297.425 requires an annual independent audit of Metro's financial statements; and

WHEREAS, Metro Code Section 2.15.080 requires the Metro Auditor to appoint the external certified public accountant to conduct certified financial statement audits as specified in state and local laws; and

WHEREAS, Metro engaged in Contract No. 939965 with Baker Tilly US, LLP, independent Certified Public Accountants to provide the following audit services for each of the fiscal years ending June 30, 2025-2027:

1. Audit of Metro's financial statements including the Single Audit of Federal awards;
2. Additional reports related to certain voter-approved bond and tax expenditures; and
3. Applicable management recommendations and comments.

WHEREAS, the annual independent audit for fiscal year ended June 30, 2025, has been completed and an unmodified opinion received from Baker Tilly US, LLP (Exhibit A); and

WHEREAS, additional reports related to certain voter-approved bond and tax expenditures were provided (Exhibit B); now, therefore,

BE IT RESOLVED that the Metro Council hereby acknowledges and receives the results of the independent audit for fiscal year ended June 30, 2025, attached hereto as Exhibit A.

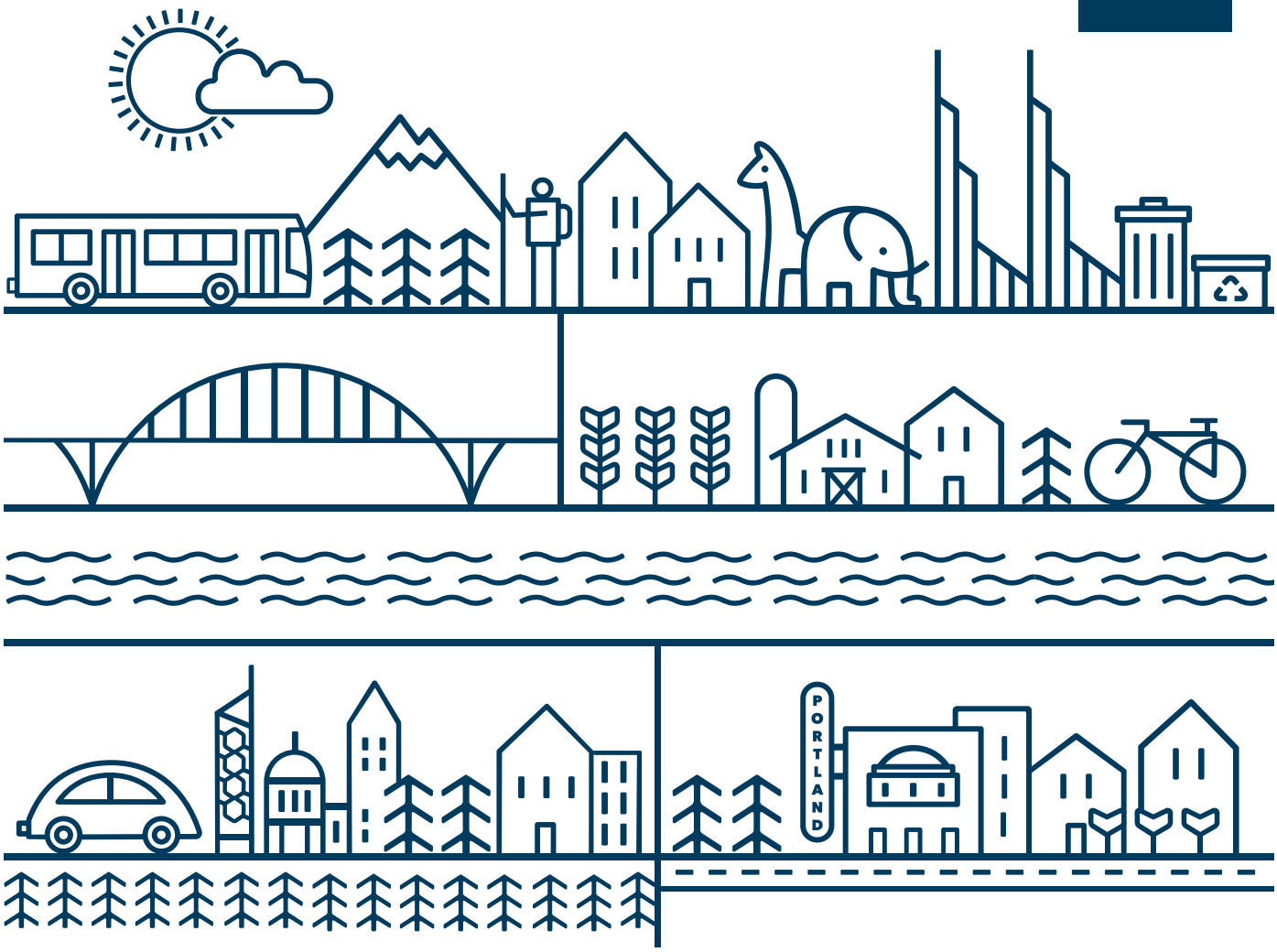
ADOPTED by the Metro Council this 18th day of December 2025.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Exhibit A to Resolustion No. 52-5541



Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025

oregonmetro.gov

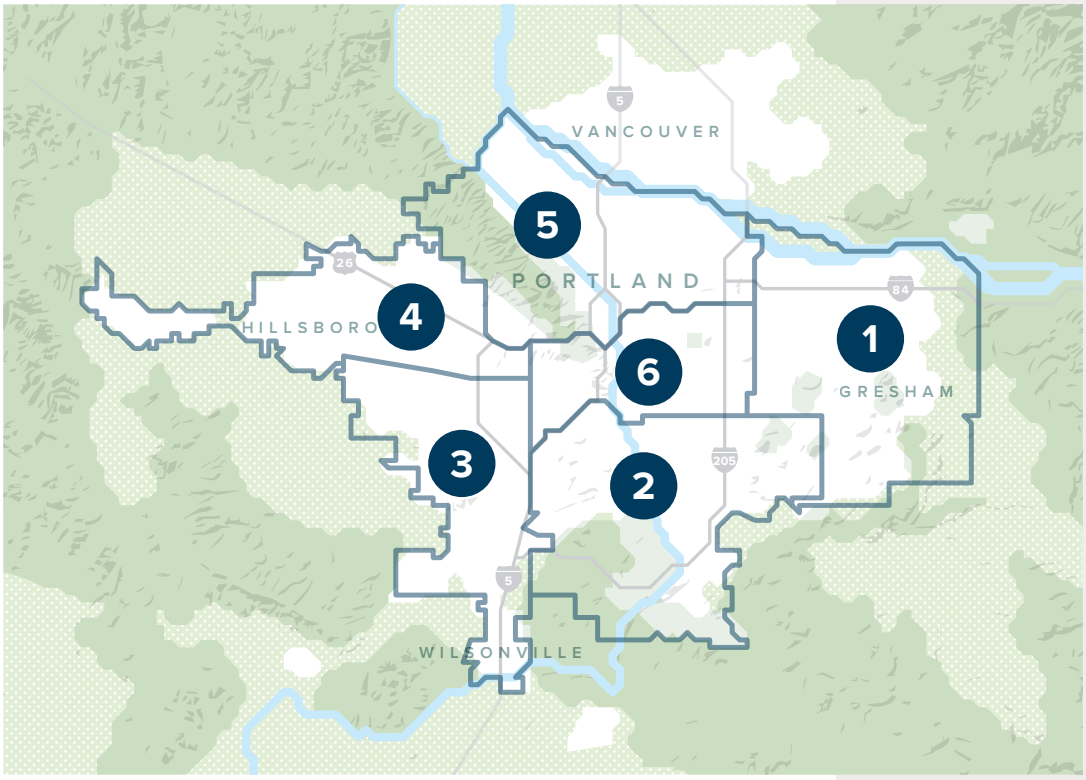
If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we've already crossed paths.

So, hello. We're Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

Stay in touch with news, stories and things to do.
oregonmetro.gov

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Mary Nolan, District 5
Duncan Hwang, District 6

Auditor
Brian Evans

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025

Finance and Regulatory Services Department

Chief Financial Officer
Brian Kennedy

Deputy Chief Financial Officer
W. Caleb Ford, CPFO

Prepared by
Accounting Services Division

Controller
Melissa Weber, CPA

600 NE Grand Ave., Portland, Oregon 97232

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Introductory Section

600 NE Grand Ave.
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December 8, 2025

To the Council and Residents of the Metro Region:

In accordance with ORS §297.425, we are pleased to present the Annual Comprehensive Financial Report of Metro for the fiscal year ended June 30, 2025, accompanied by the report of Metro's independent auditors, Baker Tilly US, LLP.

This Annual Comprehensive Financial Report (ACFR) presents the financial position of Metro and the results of its operations, as well as cash flows for its proprietary fund types, for the fiscal year ended June 30, 2025. The financial statements and supporting schedules have been prepared by management in accordance with accounting principles generally accepted in the United States of America (GAAP), meet the requirements of the standards as prescribed by the Oregon Secretary of State and are in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada.

The ACFR provides meaningful financial information to legislative bodies, creditors, investors and the public. There are four main sections in this report, including a section with reports from our independent certified public accountants required by Oregon Administrative Rules and federal regulations. These reporting requirements are incorporated in the Minimum Standards for Audits of Municipal Corporations, as prescribed by the Secretary of State, Government Auditing Standards and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Metro management is responsible for the completeness and reliability of all the information and representations presented in this ACFR, based upon a comprehensive internal control framework established for this purpose. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded, so that the financial statements can be prepared in conformity with GAAP. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs. Because the cost of internal controls should not outweigh their benefits, Metro's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Oregon law, Metro's financial statements have been audited by Baker Tilly US, LLP. The auditor issued an unmodified ("clean") opinion on Metro's financial statements for the year ended June 30, 2025 (see pages 13-16). The independent audit of the financial statements was performed in accordance with applicable auditing standards as described by Baker Tilly US, LLP in their reports included in this document.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Metro

Metro crosses city limits and county lines to make our communities safe, livable and ready for tomorrow. From protecting our region's air, water and natural beauty to supporting neighborhoods, businesses and farms that thrive, Metro makes our region a great place. Metro serves more than 1.8 million residents in Clackamas, Multnomah and Washington counties, and the 24 cities in the Portland, Oregon metropolitan area.

The voters of the region approved a constitutional amendment to allow the creation of a home rule regional government in the Portland metropolitan area in 1990, then a home rule charter for Metro in 1992 and a charter amendment in 2000. Metro is a directly elected regional government and is governed by a council president, elected region wide, and six councilors elected by district. The charter established the elected position of Metro Auditor. Ordinances are passed by a simple majority vote of the seven council members.

Services. The primary responsibility of Metro, as authorized by its charter, is to provide regional land use planning. The charter further recognizes the significant role Metro has in other regional issues. As such, Metro provides the following services that focus on issues that cross local boundaries:

- Planning and Development: Manages the regional urban growth boundary, prepares the Regional Transportation Plan, allocates federal highway and transit funds for the region, and conducts all regional transit and light rail planning. Coordinates data and research activities with governmental partners and develops regional economic and travel forecasts.
- Housing: Facilitates the creation of affordable housing across the region and funds the supportive housing services through administration and oversight of 2018 Affordable Housing Bond and 2020 Supportive Housing Services Measure.
- Solid Waste Management: Operates regional solid waste transfer stations, household hazardous waste facilities, and develops the Regional Solid Waste Management Plan.
- Parks and Natural Areas: Provides regional natural areas, parks, and trails, including historical cemeteries, a golf course, and marine facilities. Purchases land and restores natural habitats.
- Visitor Venues: Operates the Oregon Zoo, Oregon Convention Center, Portland Expo Center, and the Portland'5 Centers for the Arts.

Budget. The annual adopted budget serves as the foundation for Metro's financial planning and control. Metro prepares a budget for each fund in accordance with the modified accrual basis of accounting and legal requirements set forth in Oregon Local Budget Law, ORS §294.305 to §294.565. The Council adopts the budget for all funds by resolution prior to the beginning of Metro's fiscal year (July 1). Expenditures for each fund cannot legally exceed the appropriation levels set by the authorizing resolution. The legal level of budgetary control for each fund is set by department, with separate designations within the fund for the categories of debt service, interfund transfers and contingency. Unexpected additional resources and budget revisions may be added to the budget by use of a supplemental budget or, under certain conditions, by a resolution passed by the Council amending the budget. The original and any supplemental budgets require hearings before the public, publication in newspapers, and approval by the Council. Management may amend the budget within the appropriated levels of control without Council approval. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are charged against the ensuing year's appropriations.

Reporting entity. For financial reporting purposes, Metro is a primary government under the provisions of Governmental Accounting Standards Board (GASB) Statements No. 14, 39 and 61. This report includes all organizations and activities for which the elected officials exercise financial control. In addition, the Oregon Zoo Foundation (OZF) warrants inclusion in the report because of the nature and significance of its relationship with Metro, including its on-going financial support of Metro's Oregon Zoo. The OZF is a legally separate, tax-exempt

organization created to encourage and aid the development of the Oregon Zoo. The financial statements of OZF are included in this report as a discretely presented component unit.

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Metro operates.

Local economy. The Portland metropolitan region (i.e., the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area (MSA)) is home to just under 2.6 million residents, with about 1.9 million residing within the Metro boundary. The Portland MSA continues to rank 25th among the nation's largest metropolitan areas. According to the U.S. Census Bureau, the region's population grew by only 0.3% in 2024, reflecting ongoing out-migration that offset natural increases and limited in-migration.

The economic region is comprised of five counties in Oregon and two in Washington State. It remains a hub for financial activities, domestic and international trade, transportation and services for Oregon, southwest Washington and the Columbia River basin. As of mid-2025, the Portland MSA reported nonfarm payroll employment of about 1.25 million jobs (Bureau of Labor and Statistics) with more than 80% of those jobs located inside the Metro boundary. The Metro Area unemployment rate averaged 5.1% in July 2025, rising to 5.3% in August, compared with the national rate of 4.2%.

During the pandemic recovery, the region initially outpaced the nation in job gains. However, since mid-2023, it has diverged from national trends. Employment growth fell -2.0% year-over-year in January 2024 and while there was some rebound, overall economic activity in the region has continued to underperform relative to historical trends. By August 2025, year-over-year job growth was just 0.2%, compared with 1.7% nationally. Oregon's overall employment growth has mirrored this weakness, ranking among the slowest growing states.

Industry performance has been uneven. The education and health services sector continued to lead, expanding by 4.8% year-over-year as of August 2025 and government employment grew by 2.1%, reflecting state and local hiring. Meanwhile, construction employment fell by 3.2%, and leisure and hospitality declined by 3.9%, both pressured by high interest rates and slower consumer spending. The information sector contracted by 5.3%, the steepest decline among major industries and largely driven by workforce reductions at Intel.

Wages remain a relative economic strength of the region. Average hourly earnings in the Portland MSA are above the national average. In particular, manufacturing wages rose 9% from January to August 2025, compared with a 5% national increase. This reflects both tight labor supply in skilled trades and cost-of-living adjustments.

Economic outlook. The Portland region's economy in the past year has faced notable challenges, including job losses, population stagnation, and housing affordability issues. However, the central city saw improvements in public safety and livability thanks to coordinated efforts between local and state governments. Crime rates declined, emergency shelter capacity expanded, and public perceptions of safety improved. These gains helped stabilize the city's image despite years of negative national media attention. However, the economic outlook remains fragile.

Slower population growth and housing affordability challenges continue to weigh heavily on the region. Multnomah County lost nearly 5,000 residents in 2023, driven by net out-migration despite a small natural increase. Housing production remains sluggish and affordability is a major concern, with much of the inventory inaccessible to households earning less than $160,000 annually. Suburban and exurban areas are likely to continue outperforming the urban core. Regional leaders face mounting pressure to make Portland more competitive or risk deeper economic stagnation.

Portland's labor market has diverged from national trends. While the U.S. economy added jobs in 2024, the Portland metro lost 6,700 jobs in high-paying sectors like information, financial services, and professional services. This is a rare contraction during a national expansion and signals deeper structural challenges. The broader

Portland metro area showed mixed labor market signals. As of mid-2025, unemployment rates hovered around 4.4% for the metro area, slightly above the national average of 4.3%. Wages varied by county, with Multnomah and Washington counties showing relatively strong weekly earnings compared to national figures. Civic leaders are now shifting focus from crisis management to long-term competitiveness, aiming to avoid the risks of a downward spiral. The Federal Reserve's recent rate cut reflects easing inflation pressures and aims to support broader economic durability.

Ultimately, the national economic forces have helped prop up the near-term outlook for the region but that remains tenuous. The region may already be experiencing some economic contraction, but a national recession would put further downward pressure on the local economy.

Long-term financial planning. Metro's strong financial policies and disciplined practices have ensured operational stability, as evidenced by the necessary decisions made due to the COVID-19 pandemic as well as during the subsequent recovery. An important tool for building Metro's budget is the five-year forecast for all operating and bond funds. Each budget cycle begins with a review of how the funds are performing, what factors affect the funds that are global assumptions and what factors are related to the specific nature of the operations that result in individual assumptions. Metro adheres to common-sense operation practices such as maintaining its assets, using one-time funds for one-time purposes, and ensuring enterprise activities manage to the bottom line.

Significant effort goes into revenue projections, ensuring a balanced budget. Property taxes are a significant component, funding general government and parks operations as well as debt service. Metro is subject to tax abatements granted by the three counties in which Metro operates; more detail is available in Note IV.S to the financial statements. Metro's abated property taxes total $15,504,620 for fiscal year 2024-25 and had no material effect on financial stability or service delivery.

The budget is anchored by Metro's Strategic Framework and Metro's guiding principles of Racial Justice, Climate Justice, and Shared Prosperity. Each of Metro's departments applies that framework to day-to-day decision-making and creating high level department specific goals in concert with budget development. These goals help each department to look ahead and identify key opportunities to make progress on the desired outcomes and ensure that choices made today will be sustainable and strategic for the next three to five years.

Within the Strategic Framework are Strategic Targets. Metro Council directed the Chief Operating Officer to develop ambitious yet achievable five-year targets in the areas of environment, economy, and housing. These targets are intended to help prioritize investments and focus areas for the organization, while fostering cross-departmental and regional collaboration to make progress. These were adopted in December 2023 and were used to frame decision-making and performance measures for the fiscal 2025-26 budget development.

Metro also prepares a five-year Capital Improvement Plan (CIP) with annual updates as part of its financial planning responsibilities. The Metro Council annually reviews Metro's capital asset management policies as part of the budget process.

Major initiatives. In response to economic and political headwinds, including uncertainty surrounding federal funding, the budget for fiscal year 2025-26 included material reductions in several external service departments and all centralized administrative departments. These decisions relied on the values and guiding principles set forth in the adopted Strategic Framework reference above. Metro is committed to the work it is doing - preserving natural areas for future generations, housing our communities and building stronger and more resilient infrastructure that will serve the region for decades to come. The 2025-26 budget includes:

Addressing housing affordability in the region. Metro plays a critical role in affordable housing policy and funding in our region. Through the Affordable Housing bond, Metro expects to create, once all funds are expended, an estimated 5,600 affordable homes including 2,000 deeply affordable units, achieving 125 percent of the original production targets. Additionally, Council allocated resources to support regional housing analyses, technical assistance for housing providers, and planning for the Regional Investment Strategy.

Improving economic prosperity. The 2024 Oregon Zoo Bond program will substantially increase activities in the coming year, budgeting $25.1 million in improvements to visitor facilities and animal habitats. This construction supports living wage jobs in a contracting employment sector.

Caring for our environment. Addressing climate change and operating in a sustainable manner is central to Metro's work. Consequently, resources are dedicated across all Metro departments as part of their daily work, from implementing our Food Waste Requirements policy, to purchasing land and restoring natural areas, to replacing aging equipment with modern energy efficient technology.

Relevant financial policies. Comprehensive financial policies are reviewed annually and provide the basic framework for the overall fiscal management of the agency. The policies are designed to operate independently of changing circumstances and conditions and help safeguard Metro's assets, promote effective and efficient operations, and support the achievement of Metro's strategic goals. The policies were re-adopted by the Metro Council on June 12, 2025 (Resolution No. 25-5502), as published in the adopted budget.

Oregon Local Budget Law requires that total resources equal total requirements in each fund. In addition to this legal requirement, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Metro's Council established financial policies to make significant investments in the future by using a disciplined "pay yourself first" rule to ensure that all funds maintain appropriate reserves to safeguard against dips in the economic climate and to protect the public's investment in Metro's physical assets. Metro policy provides that it will designate or assign fund balance amounts that are appropriate to the needs of each fund and that targeted assignment levels shall be established and reviewed annually as part of the budget review process. The policy requires that a new program or service be evaluated before it is implemented to determine its affordability and that Metro will annually prepare a five-year forecast of revenues, expenditures, other financing sources and uses and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Metro Council.

Metro has set aside fund balance amounts within the General Fund for potential additional Public Employee Retirement System pension liabilities and for future debt service on the full faith and credit bonds issued to refinance Metro Regional Center. This fund balance also includes amounts for cash flow and fund stabilization. Metro's policies historically called for a minimum of 7 percent of operating revenues to be set aside for either contingency or stabilization to guard against unexpected downturns in revenues and to stabilize resulting budget actions. That target provided a 90 percent confidence level that revenues would only dip below this amount once every ten years. After weathering the economic impact from the COVID pandemic, the reserve policy was updated to require a minimum level of 16.5 percent of key general fund revenues be set aside.

Debt management policies provide that Metro shall issue long-term debt only to finance capital improvements (including land acquisition) that cannot be readily financed from current revenues or to reduce the cost of long-term financial obligations. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by Council. Further, Metro will repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.

Metro's revenue policies provide that the agency will strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source. A further detailed discussion of Metro's financial policies and plans for the future can be found in Metro's 2025-26 Adopted Budget.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the thirty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the cooperation of employees across the Metro organization. We especially acknowledge Melissa Weber, Controller, Erica Gallucci, Financial Reporting Program Manager, and the staff in the Accounting Services Division of the Finance and Regulatory Services Department for their efforts in the preparation of this report. We wish to acknowledge the professional and technical assistance of the audit staff of Baker Tilly US, LLP. Finally, we extend our appreciation to the Metro Council, Metro Auditor, and the many Metro managers for their leadership and commitment to financial excellence.

Respectfully submitted,

Marissa Madrigal
Chief Operating Officer

Brian Kennedy
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

METRO
Oregon

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

METRO

Elected Officials (as of June 30, 2025)

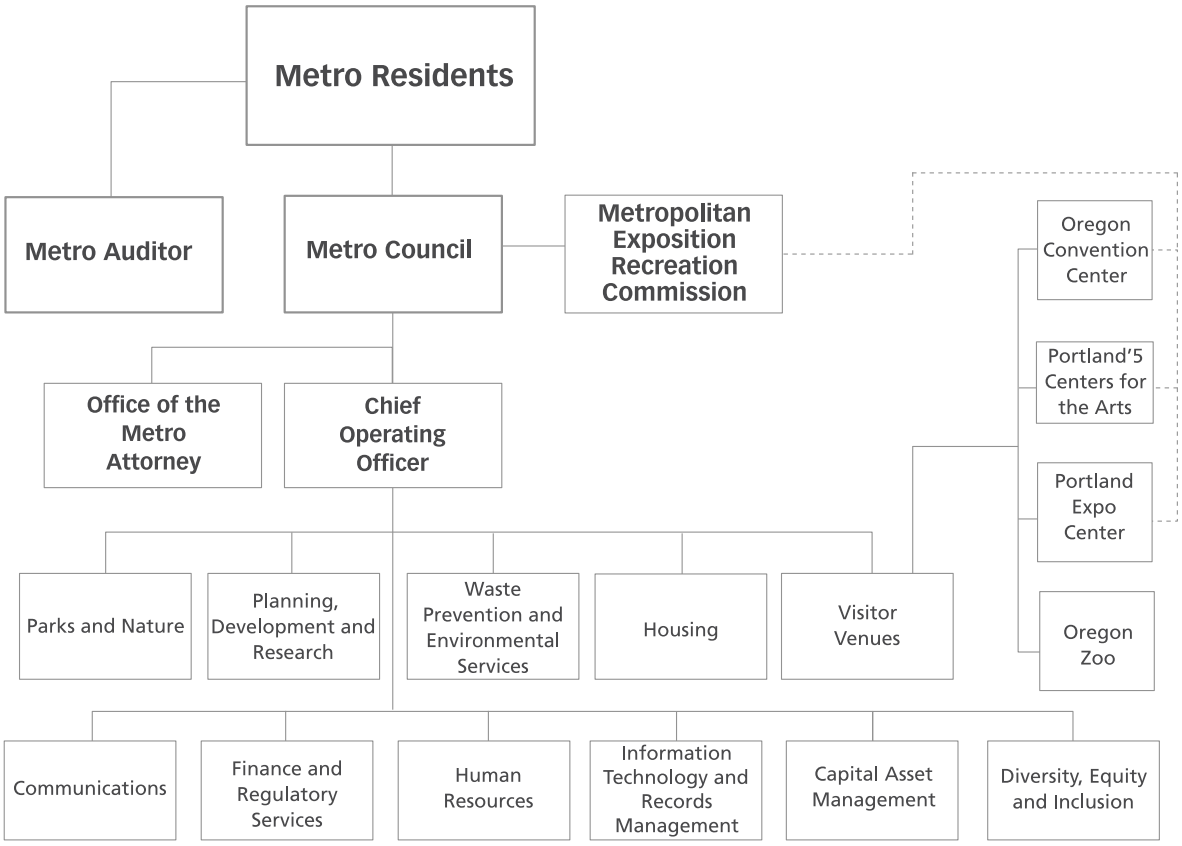
Name	Position	Term expires
Lynn Peterson	Metro Council President	January 2027
Ashton Simpson	Councilor-District 1	January 2027
Christine Lewis	Councilor-District 2	January 2027
Gerritt Rosenthal	Councilor-District 3	January 2029
Juan Carlos Gonzalez	Councilor-District 4	January 2027
Mary Nolan	Councilor-District 5	January 2029
Duncan Hwang	Councilor-District 6	January 2027
Brian Evans, CIA	Metro Auditor	January 2027

Appointed Officials

Name	Position
Marissa Madrigal	Chief Operating Officer
Andrew Scott	Deputy Chief Operating Officer
Holly Calhoun	Deputy Chief Operating Officer
Carrie MacLaren	Metro Attorney
Brian Kennedy	Chief Financial Officer
Julio Garcia	Human Resources Director
Ryan Kinsella	Capital Asset Management Director
Lia Waiwaiole	Communications Director
Jeffrey Baer	Chief Information Officer
Heidi Rahn	Oregon Zoo Director
Catherine Ciarlo	Planning, Development and Research Director
Sebrina Owens-Wilson	Diversity, Equity, and Inclusion Director
Liam Frost	Housing Director
Marta McGuire	Waste Prevention and Environmental Services Director
Jon Blasher	Parks and Nature Director
Craig Stroud	General Manager of Visitor Venues
Cindy Wallace	Oregon Convention Center Director
Cindy Wallace	Portland Expo Center Director
Rachael Lembo	Portland'5 Centers for the Arts Director

Organizational Structure

as of June 30, 2025



Brian Evans
Metro Auditor
600 NE Grand Ave
Portland, OR 97232-2736
TEL 503 797 1892

December 8, 2025

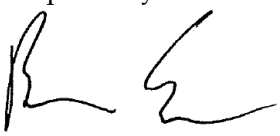
To the Metro Council and Residents of the Metro Region:

Oregon State law requires an annual audit of Metro's financial records and transactions by independent certified public accountants. The Metro Auditor is required by Metro Code to appoint certified public accountants to conduct this audit. In 2025, after completing a competitive process, I appointed Baker Tilly US, LLP to conduct the audit of Metro. My office coordinated and monitored this audit.

Following this letter is the independent auditor's report on Metro's financial statements as of June 30, 2025. In addition to the above report, Metro is required to have an audit of its expenditures of federal awards in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the provisions of *Government Auditing Standards* issued by the Comptroller General of the United States. The necessary reports pertaining to Metro's compliance for the major federal programs and report on internal control required by the Uniform Guidance for the year ended June 30, 2025 are included in the last section of this report, Audit Comments and Disclosures.

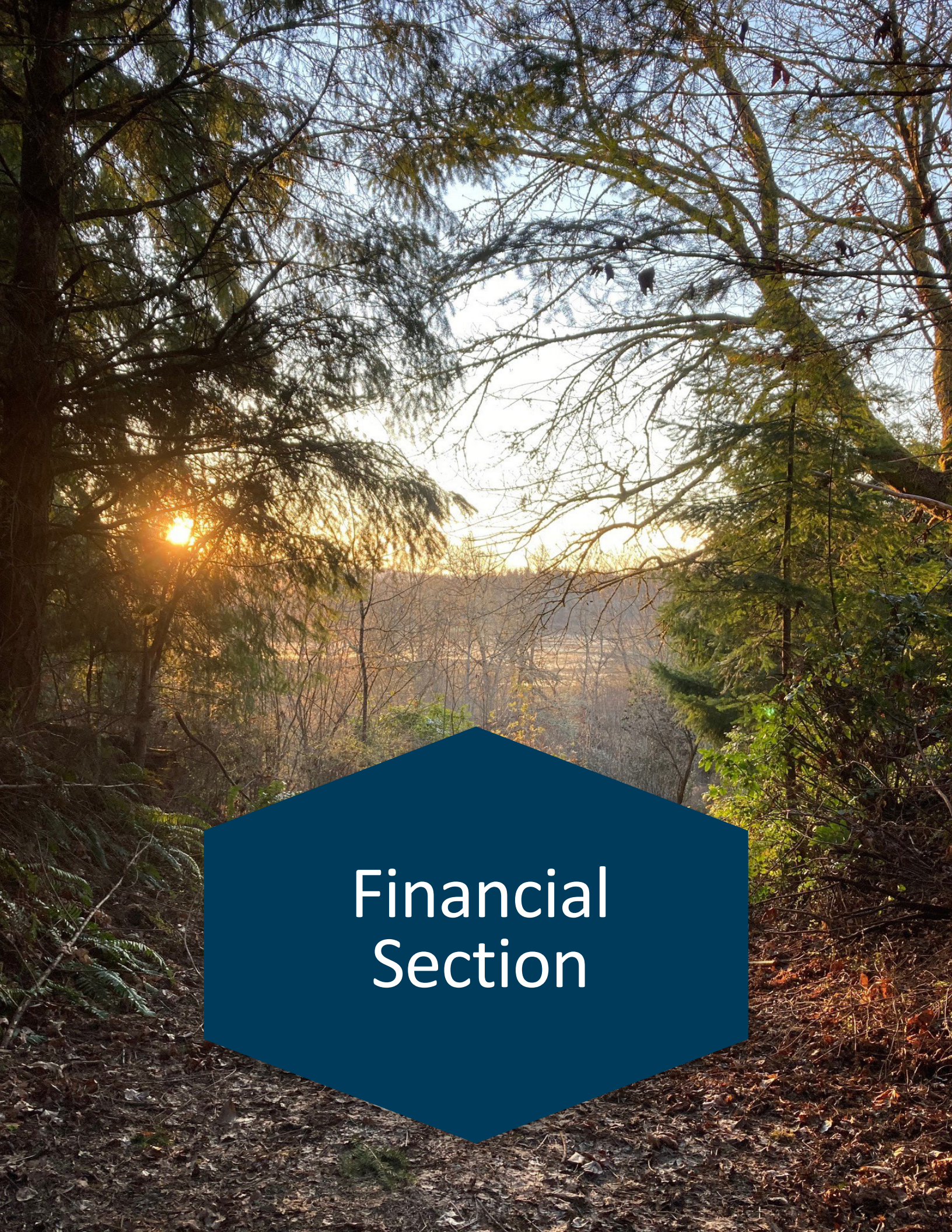
I appreciate the work done by Metro employees and Baker Tilly US, LLP to make the audit process run smoothly.

Respectfully submitted,



Brian Evans
Metro Auditor

Metro



Financial Section

Report of Independent Auditors

The Metro Council and Metro Auditor
Metro

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of Metro. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Oregon Zoo Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metro and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of Agency's proportionate share of the net OPEB liability (asset), schedule of Agency's contributions, schedule of Agency's changes in total OPEB liability and related ratios, schedule of Agency's proportionate share of net pension liability, and schedule of Agency's contributions, and the notes to the required supplementary information (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures and changes in fund balances – budget and actual for the General Fund, Parks and Nature Operating Fund, Affordable Housing Fund, and Supportive Housing Services Fund, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

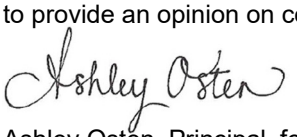
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of Metro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 8, 2025, on our consideration of Metro's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of *the Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
December 8, 2025

Metro

Management's Discussion and Analysis

As management of Metro, Oregon, we provide readers of Metro's financial statements this narrative overview and analysis of the financial activities of Metro for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 6 of this report. This information is based upon currently known facts, decisions or conditions.

FINANCIAL HIGHLIGHTS

- Metro's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources (also defined as *net position*) by $781,621,818 at June 30, 2025, which reflects a decrease of 18.7 percent or $179,712,448 over the prior fiscal year.
- Metro completed the fiscal year with its governmental funds reporting *combined* fund balances of $1,004,227,756. Of the total amount of governmental combined fund balance, $42,016,154 or 4.2 percent, is considered available for spending at Metro's discretion (*unassigned* fund balance).
- At the end of fiscal year 2025, unrestricted spendable fund balance (the total of the *committed, assigned* and *unassigned* components of fund balance) in the general fund totaled $57,853,079 and represents 108.5 percent of total general fund expenditures.
- Metro's total long-term liabilities increased by $165,465,199 or 16.6 percent during the current fiscal year. This reflects debt issuances of $200,000,000 as well as increases in the net pension liability, offset by repayment of existing debt and decreased estimates for pollution remediation liabilities.
- The regional supportive housing services program, approved by voters in May 2020, generated $324,964,017 in personal and business income tax revenue this fiscal year, reflecting a 3.0 percent decrease from the previous year. This decline is attributed to the slowing local economy and weaker revenue growth compared to years past. This source of revenue is Metro's largest, surpassing charges for services and property taxes.
- Program revenues of Metro's business-type activities (Solid Waste, Oregon Zoo and MERC operations) totaled $238,756,420, up $9,133,323 or 4.0 percent, attributable to the increased activity at the Oregon Zoo and increased solid waste rates.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Metro's basic financial statements, which consist of the following three components: 1) the *government-wide financial statements*, 2) the *fund financial statements,* and 3) the *notes to the financial statements*. This report also includes *supplementary information* intended to furnish additional detail to support the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Metro's finances using accounting methods similar to those used by private-sector businesses. Government-wide financial statements provide both short-term *and* long-term information about Metro's overall financial status.

The *Statement of Net Position* includes all of Metro's assets, liabilities, and deferred outflows/inflows of resources, with the net difference between these elements reported as net position. Over time, increases or decreases in Metro's net position may serve as a useful indicator of whether the financial position of Metro is improving or deteriorating.

The *Statement of Activities* accounts for all of the current fiscal year's revenues and expenses. The statement presents information showing how Metro's net position changed during the fiscal year. Such changes are reported

as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

Each government-wide financial statement is divided into three categories:

Governmental activities – Activities supported principally by general revenue sources including various taxes that provide Metro's basic governmental services. These services include *general government operations* functions of the Council office and various administrative functions; *planning, development and research* which includes regional transportation and land use planning; *housing* which includes affordable and supportive housing activities; *culture and recreation* which includes investments at the Oregon Zoo, regional parks and natural areas, community enhancement activities near Metro area solid waste facilities and management of Smith and Bybee Wetlands and Pioneer Cemeteries.

Business-type activities – Activities supported by charges for services and fees to customers to help cover the costs of certain services. These activities consist of the Solid Waste, Oregon Zoo, and Metropolitan Exposition-Recreation Commission (MERC) operations. Solid waste operations include the operation of two transfer stations and recycling centers (Metro South and Metro Central), household hazardous waste collection centers, a paint recycling center and other solid waste system programs. Oregon Zoo operations include zoo visitor experience, environmental education, and animal conservation and research. MERC operations include the Oregon Convention Center (OCC), Portland'5 Centers for the Arts (Portland'5) and Portland Expo Center (Expo) facilities.

Component unit – Metro includes The Oregon Zoo Foundation (OZF) as a discretely presented component unit. OZF is considered a component unit as the sole purpose of this legally separate non-profit organization is to provide support and significant additional funding for Metro's Oregon Zoo.

The government-wide financial statements can be found on pages 33 - 36 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Metro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements – including bond covenants and Oregon local budget law. The funds of Metro can be classified into two categories:

- ***Governmental funds*** are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, these statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Thus, the governmental funds statements provide a detailed short-term view that helps the reader determine the comparative level of financial resources that can be spent in the near future to finance Metro's programs.

  Because this information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of Metro's near-term financing decisions. A reconciliation that follows the governmental funds statements explains the differences between the two statements to facilitate this comparison between *governmental funds* and *governmental activities*.

  Metro maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the seven funds considered major: General, Parks and Nature Operating, Affordable Housing, Supportive Housing Services, General Obligation Bond Debt Service, Zoo Bond 24, and Parks and Nature Bond funds. Data from the other three governmental funds (Smith and Bybee Wetlands, Community

Enhancement, and Cemetery Perpetual Care) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Of special note, a portion of one budgetary fund (the General Revenue Bond Fund) and the entirety of one additional budgetary fund (General Asset Management Fund) are allocated to the General Fund and combined with those operating activities for reporting in conformance with generally accepted accounting principles (GAAP) in the governmental funds financial statements. The remaining portions of the budgetary General Revenue Bond Fund is allocated to the MERC Fund for proprietary fund presentation noted below.

The governmental funds financial statements can be found on pages 39 - 45 of this report.

- ***Proprietary funds*** provide the same type of information as the government-wide financial statements, only in more detail, including cash flows. Metro includes two different types:

  Enterprise funds are used to report the same functions as *business-type activities* in the government-wide financial statements. Metro uses enterprise funds to account for its Solid Waste, Oregon Zoo and MERC operations, all three of which are considered major funds. The entire budgetary fund Oregon Zoo Asset Management Fund is combined with the Oregon Zoo Operating Fund for the proprietary fund presentation.

  Internal service funds are an accounting device used to accumulate and allocate costs internally among Metro's various functions. Metro uses an internal service fund to account for the management of its retained risks. The revenues and expenses of the internal service fund that are duplicated in other funds through cost allocations are eliminated in the government-wide statements, with the remaining balances included in governmental activities in the government-wide financial statements.

  The proprietary funds financial statements can be found on pages 46 - 51 of this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 52 - 94 of this report.

Required Supplementary Information (RSI). In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget-to-actual results for Metro's General Fund, its major special revenue funds, pension, and post-employment benefit disclosures. RSI can be found on pages 96 - 114.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 117 - 140.

FINANCIAL ANALYSIS OF METRO AS A WHOLE (Government-Wide)

Net position. As noted earlier, net position may serve as a useful indicator of a government's financial position over time. Metro's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (defined as *net position*) by $781,621,818 at June 30, 2025. The table on the following page reflects the condensed Government-wide Statement of Net Position.

Metro's governmental activities account for net position of $409,993,451 or 52.5 percent of the total primary government, whereas business-type activities account for $371,628,367 or 47.5 percent.

Of Metro's total net position, 89.9 percent reflects its net investment in capital assets (e.g., headquarters offices, zoo exhibits, natural areas property, transfer stations, convention center, and other significant assets), less any related outstanding debt that was used to acquire those assets. Metro uses these capital assets to provide services

to its residents, therefore, this amount is not available for future spending. Although Metro's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Metro's restricted net position (76.0 percent) represents resources that are subject to external restrictions on how they may be used. External restrictions for specific purposes include areas such as parks and natural areas local option levy, Transit-Oriented Development (TOD), Smith and Bybee Wetlands management plan, supportive housing initiatives, debt service, and capital projects funded by bond or restricted proceeds. The restricted component of net position increased $60,552,754 or 11.3 percent from the amount at June 30, 2024, reflecting additional restricted funds obtained from debt issuances for Park and Nature and the Oregon Zoo bond programs offset by decreased advance balances to partner agencies of income tax revenue and bond funds restricted for Supportive and Affordable Housing as funds were spent down.

Metro's Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 1,052,574,386	1,082,721,854	157,699,853	167,900,393	1,210,274,239	1,250,622,247
Capital assets	446,150,254	428,893,741	334,646,168	339,146,160	780,796,422	768,039,901
Total assets	1,498,724,640	1,511,615,595	492,346,021	507,046,553	1,991,070,661	2,018,662,148
Total deferred outflows of resources	34,879,603	23,851,237	31,830,735	22,487,725	66,710,338	46,338,962
Long-term liabilities outstanding	1,072,942,697	916,233,845	86,791,774	78,035,427	1,159,734,471	994,269,272
Other liabilities	40,957,607	23,584,183	28,528,893	24,978,895	69,486,500	48,563,078
Total liabilities	1,113,900,304	939,818,028	115,320,667	103,014,322	1,229,220,971	1,042,832,350
Total deferred inflows of resources	9,710,488	15,558,457	37,227,722	45,276,037	46,938,210	60,834,494
Net position:						
Net investment in capital assets	392,059,202	370,582,164	324,097,588	324,080,339	702,384,062	670,933,826
Restricted	575,845,091	520,292,702	18,327,833	13,327,468	594,172,924	533,620,170
Unrestricted	(557,910,842)	(310,784,519)	29,202,946	43,836,112	(514,935,168)	(243,219,730)
Total net position	$ 409,993,451	580,090,347	371,628,367	381,243,919	781,621,818	961,334,266

The remaining $514,935,168 is an unrestricted deficit, which represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Of this amount, there is a surplus of $29,202,946 which is attributable to Metro's business-type activities and cannot be used to make up for the deficit reported in governmental activities. Unrestricted net position decreased $247,126,323 (to a total deficit of $557,910,842) in governmental activities primarily due to payments to other governments for affordable housing projects and supporting housing initiatives. A portion of this deficit can be attributed to the allocable proportion of the Oregon Public Employees Pension System liability, as discussed in Note IV.H.1. Metro has several bonds that are accounted for in governmental activities without a corresponding asset such as the proceeds from Dedicated Tax Revenue bonds for the Oregon Convention Center hotel which were distributed to the developer in prior years and there is no asset owned by Metro. Similar transactions contributed to the unrestricted net deficit such as the local share and capital grant components of the Parks and Nature bond, bond-funded construction at the Oregon Zoo, and housing projects funded by the Affordable Housing bond where no asset is built or owned by Metro's governmental activities resulting from the debt issuance. It should be noted that these bond issuances are supported by dedicated tax revenues (property taxes and site-specific transient lodging taxes) and current accounting standards only allow the recording of taxes as they are levied. Unrestricted net position in business-type activities decreased $14,633,166 or 33.4 percent which is explained later in this analysis.

Changes in net position. Overall, Metro's net position decreased 18.7 percent or $179,712,448 over the prior fiscal year. Governmental activities' net position decreased $170,096,896, while business-type activities' net position decreased $9,615,552 for the fiscal year ended June 30, 2025. The components of the change in net position are reflected in the condensed information from Metro's Statement of Activities presented in the table below. The reasons for the changes noted here are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities program revenues increased $7,248,944 or 24.6 percent and totaled $36,747,135. This resulted from a timing-related increase in operating grants for regional planning.

Metro's Changes in Net Position

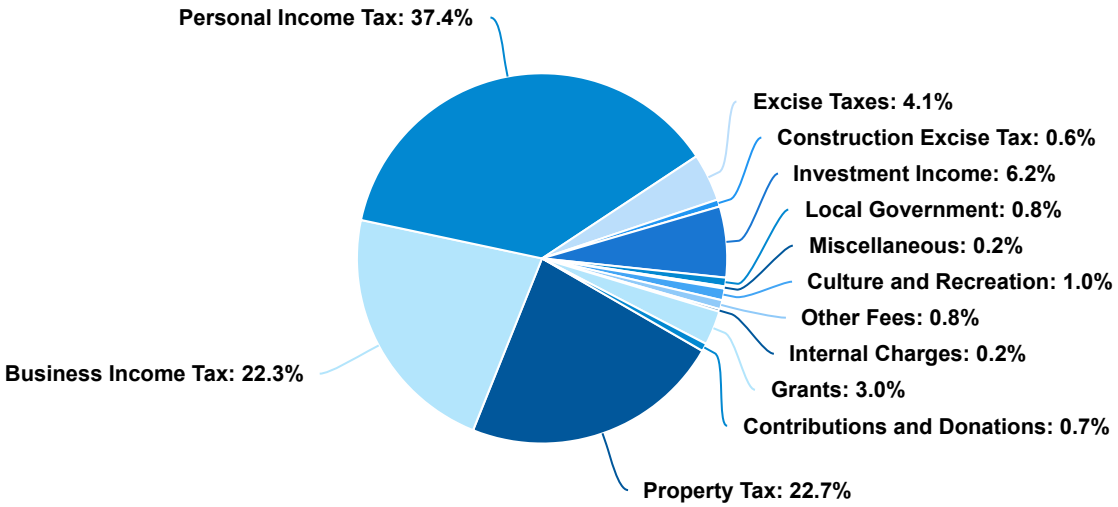
	Governmental Activities		Business-type Activities		Total - Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	$ 12,289,688	11,284,674	210,348,475	201,237,510	222,638,163	212,522,184
Operating grants and contributions	24,127,447	18,213,517	27,011,992	28,109,407	51,139,439	46,322,924
Capital grants and contributions	330,000	-	1,395,953	276,180	1,725,953	276,180
General revenues						
Property taxes	124,245,297	120,787,018	-	-	124,245,297	120,787,018
Personal and business income taxes	324,964,017	335,136,020	-	-	324,964,017	335,136,020
Excise taxes	22,580,785	20,121,244	-	-	22,580,785	20,121,244
Other	37,339,849	39,639,579	7,048,683	6,585,037	44,388,532	46,224,616
Total revenues	545,877,083	545,182,052	245,805,103	236,208,134	791,682,186	781,390,186
Expenses:						
General government operations	8,577,772	14,755,333	-	-	8,577,772	14,755,333
Planning, development and research	34,190,288	23,225,600	-	-	34,190,288	23,225,600
Housing	567,298,090	404,853,574	-	-	567,298,090	404,853,574
Culture and recreation	59,450,030	49,428,873	-	-	59,450,030	49,428,873
Interest	26,268,123	25,611,092	-	-	26,268,123	25,611,092
Solid Waste	-	-	122,666,373	111,401,035	122,666,373	111,401,035
Oregon Zoo	-	-	56,657,616	55,186,087	56,657,616	55,186,087
MERC	-	-	96,286,342	90,527,520	96,286,342	90,527,520
Total expenses	695,784,303	517,874,472	275,610,331	257,114,642	971,394,634	774,989,114
Increase (decrease) in net position before transfers	(149,907,220)	27,307,580	(29,805,228)	(20,906,508)	(179,712,448)	6,401,072
Transfers	(20,189,676)	(15,293,466)	20,189,676	15,293,466	-	-
Increase (decrease) in net position	(170,096,896)	12,014,114	(9,615,552)	(5,613,042)	(179,712,448)	6,401,072
Net Position, July 1	580,090,347	568,076,233	381,243,919	386,856,961	961,334,266	954,933,194
Net Position, June 30	$ 409,993,451	580,090,347	371,628,367	381,243,919	781,621,818	961,334,266

Metro's general government operations expenses totaled $8,577,772 or 0.9 percent of Metro's total program expenses, which was a decrease of $6,177,561 or 41.9 percent from that reported in the prior fiscal year. The decrease in expenses is primarily due to higher cost-allocation plan collections from external departments, which exceeded actual expenses. The collections recoup prior-year general government operations costs related to expanded central services staffing and offerings, and are netted against current year government-wide operational expenses resulting in a net reduction for the line item. Although payroll expenses increased due to rising healthcare costs, employee progression, and cost-of-living adjustments, the overall expense still declined because the high rate of cost recovery offset these increases. Metro's planning, development and research program had total costs of $34,190,288, up $10,964,688 or a 47.2 percent increase from the prior fiscal year. This increase reflects additional funding allocated to other local government agencies for transportation-related projects, as well as staffing adjustments driven by heightened activity. Metro's housing program had total costs of $567,298,090 during the fiscal year. This includes an increase of $162,444,516 which is the result of increased projects and

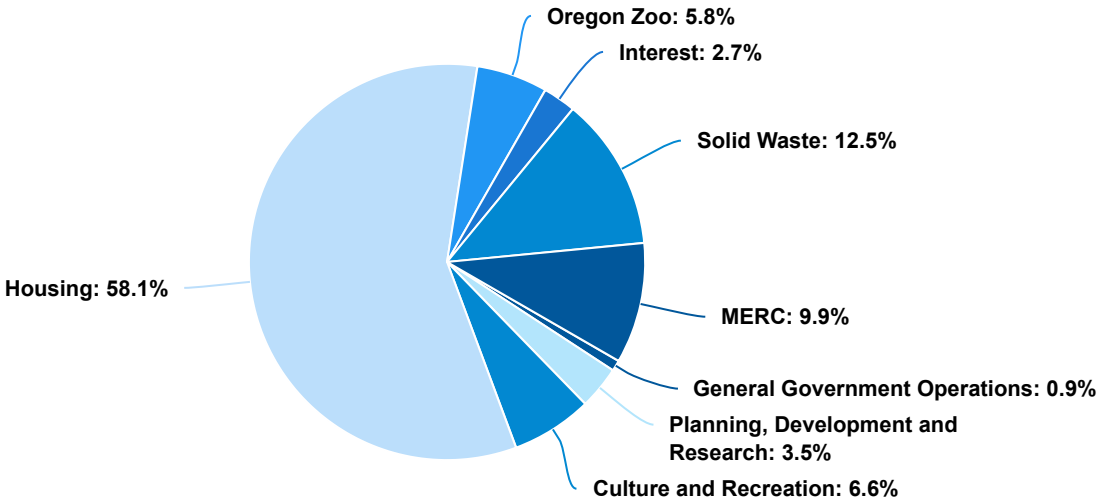
administrative costs for the affordable housing program and increased county spending of supportive housing tax proceeds. Metro's culture and recreation expenses totaled $59,450,030 or 6.1 percent of Metro's total program expenses, which is up $10,021,157 or 20.3 percent from that reported in the prior fiscal year. This reflects higher grant payments in the Parks and Nature portfolio, increased payroll costs from the new Zoo bond program, and greater central service allocations as the culture and recreation program expands. These cost increases are partially offset by a revised pollution remediation liability estimate, based on recent soil sampling results that lower expected cleanup costs for Metro at a contaminated site.

Interest on long-term debt increased by $657,031 or 2.6 percent from the prior fiscal year and totaled $26,268,123 or 2.7 percent of Metro's total program costs, down from 3.3 percent in the prior fiscal year, reflecting a relatively stable amount of debt and its corresponding repayment.

Metro Governmental Activities Sources of Revenue



Metro Function/Program Expenses



Business-type activities. Program revenues of Metro's business-type activities (Solid Waste, the Oregon Zoo and MERC operations) totaled $238,756,420, up $9,133,323 or 4.0 percent. The Oregon Zoo had a $3,472,873 or 12.2 percent increase in charges for services revenue, resulting from higher attendance and increased ticket prices implemented during the fiscal year. The MERC fund had a $2,187,784 or 3.7 percent decrease in charges for services revenue, resulting from decreased attendance and events and poor performance on food and beverage sales as recent trends include conventions opting out of catering, changing traditional models of revenue generation at several MERC sites. Tonnage at Metro-owned facilities decreased 3.0 percent over the prior year while rates increased 11.9 percent, to $153.67 per ton. The Regional System Fee increased from $31.41 to $31.72. Corresponding with the rate increases, charges for services revenue increased $7,825,876 or 6.9 percent despite decreased tonnage. Operating grants and contributions revenue decreased 3.9 percent compared to the prior fiscal year. This decline is primarily attributed to spending down state regional clean-up grants for Solid Waste.

Total expenses increased $18,495,689 or 7.2 percent to a total of $275,610,331. Solid Waste program expenses increased $11,265,338, or 10.1 percent. This can be attributed to increased operating costs at the transfer stations and payroll for Solid Waste operational and administrative employees. Oregon Zoo program expenses increased $1,471,529, or 2.7 percent due to higher staffing costs due to cost of living and healthcare related increases. This was partially offset by decreased facility maintenance as focus shifted to launching the new Zoo bond and related construction efforts. MERC expenses increased $5,758,822, or 6.4 percent. These increases stem from higher staffing costs due to cost-of-living adjustments and rising healthcare costs, with FTE levels remaining stable. Administrative costs also rose as a larger share of the cost-allocation plan is now attributed to this program, following reduced contributions from MERC venues during the COVID-19 pandemic.

General revenues. Property taxes currently account for 15.7 percent of all primary government revenues. Property taxes are dedicated to the repayment of general obligation bond debt, for programs authorized by the Parks and Natural Areas Local Option Levy, transferred to the Zoo for operations, or allocated by the Council in support of governmental activities. The total amount of property taxes increased $3,458,279 or 2.9 percent from the prior fiscal year. This change is based on the 3.0 percent maximum assessed value increase allowed in the Oregon Constitution, growth from new construction, and some material reductions in assessed value in Portland's urban core. Metro began to receive personal and business income tax revenue in the fiscal year ending June 30, 2021, and receipts grew substantially in the subsequent fiscal years. The prior fiscal year had $335,136,020 recorded in income tax and the current year revenues are $324,964,017, a 3.0 percent decrease. This decline is largely due to weaker local economic conditions compared to previous years, which have reduced the business income tax revenue base. Additionally, these local conditions may be discouraging the immigration of individuals with higher personal income levels, further impacting the personal income tax base.

FINANCIAL ANALYSIS OF METRO'S FUNDS

As noted earlier, Metro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Metro's *governmental funds* financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Metro's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year.

At June 30, 2025, Metro's governmental funds reported *combined* fund balances of $1,004,227,756. This is down $46,935,455 or 4.5 percent. The majority of this decrease is driven by the drawdown of Affordable Housing funds as capital project implementation advances were spent. Additionally, county partners have begun spending Supportive Housing Services tax revenues at a pace that exceeds current collections, leading to a reduction in the associated advances and fund balance. These declines are partially offset by increases in the Parks and

Nature and Zoo Bond 24 funds, which reflect new debt issuances during the year. These circumstances resulted in increased restricted and decreased nonspendable fund balances netting to a decrease of $48,236,358 or 4.9 percent. Of the total amount of governmental combined fund balance above, $42,016,154 or 4.2 percent, is considered *unassigned* fund balance and available for spending at Metro's discretion.

The remainder of the fund balance is either *nonspendable, restricted, committed* or *assigned*. *Nonspendable* fund balance represents amounts not in spendable form and the corpus of the permanent fund, which totals $243,298,772 at June 30, 2025. Fund balances *restricted* for particular purposes, such as parks and natural areas, bonded capital projects, the Willamette Falls Legacy project, debt service, and affordable and supportive housing totaled $702,439,328. Metro has $9,458,013 of fund balance *committed* by Metro Council resolution and consists of funds to be used in executing Transit-Oriented Development projects. *Assigned* fund balance totaled $7,015,489 and is dedicated to cemetery and golf course maintenance, and encumbered as well as certain types of appropriated fund balance.

Note II.D.16 and IV.Q provide more information on Metro's fund balance classifications for all governmental funds. Note IV.V describes changes in restricted fund balance in fiscal year 2026 for the Willamette Falls Legacy project.

The General Fund is the primary operating fund of Metro. At the end of fiscal year 2025, unassigned fund balance of the general fund was $42,016,154. Total fund balance decreased $43,709 to a total of $131,450,403. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 78.8 percent of total general fund expenditures, while total fund balance represents 246.5 percent of that same amount.

The General Fund expended $8,019,192 for general government operations. These operational expenditures included the general government share of costs for the Council Office, Metro Auditor, Office of Metro Attorney, Capital Asset Management, Communications, Diversity, Equity and Inclusion, Finance and Regulatory Services, Human Resources, and Information Technology. Expenditures decreased by $5,716,523 compared to the previous year. This decrease is primarily due to higher cost-allocation plan collections, which offset general government operations expenses for a net decrease, as discussed earlier in the MD&A. These increased collections stem from expanded central service staffing and programmatic investments made in prior years, with associated costs being recovered in the current year.

Metro collected $3,427,490 in Construction Excise Tax during the fiscal year ended June 30, 2025, down $355,450 or 9.4 percent from the prior fiscal year. This tax is imposed on new construction within the region, with limited exceptions, and is intended to provide funds to local governments for the planning of future expansion areas, future urban reserves, and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. Collections are down in the current year in line with reports of decreased construction activity and local economic decline.

Metro's other major governmental funds also include the Parks and Nature Operating Fund, Affordable Housing, Supportive Housing Services, the General Obligation Bond Debt Service Fund, Zoo Bond 24, and Parks and Nature Bond Funds. All of these funds carry assigned, restricted, or nonspendable fund balances because they were established for specific purposes by the passage of various ballot measures.

The restricted and nonspendable positions in other governmental funds changed from $918,984,302 to $872,140,776 or a decrease of $46,843,526. The Affordable Housing and Supportive Housing funds had substantial reductions, driving the overall decrease in restricted and nonspendable fund balance. Local partners have been able to build affordable housing projects depleting the fund balance, while the supportive housing program has partner jurisdictions spending down advanced balances on eligible activities, leading to decreases in restricted and nonspendable net position. These decreases were offset by debt issuances in the Parks and Nature Bond and Zoo Bond 24 funds. The Parks and Nature Bond program, active since 2020, received a cash infusion from this

year's issuance, enabling continued progress on capital construction projects authorized by the 2019 voter-approved measure. The Zoo Bond 24 fund, established following a successful 2024 ballot initiative, supports capital projects at the Oregon Zoo. As the program is still in its early stages, most of the funds from the debt issuance remain in fund balance at year-end.

There was an increase in expenditures in the Affordable Housing fund, from $88.8 million to $118.1 million due to timing-related project reimbursement requests. The Supportive Housing Services fund had substantially higher activity with expenditures amounting to $447.5 million as regional partners continue to increase their program offerings and execution in response to the local housing crisis.

The Zoo Bond 24 fund was new in the fiscal year. The related bond measure, which will fund capital projects at the Oregon Zoo, was passed in 2024. The fund had low spending of $1.8 million, substantial ending fund balance, and bond authorization remaining as the program is in its infancy. Total expenditures in the Parks and Nature Bond fund increased from $36.5 million to $42.6 million, driven by active construction across multiple park infrastructure projects and another successful year for land acquisition. Additionally, many bond-funded capital grant programs saw significant advancement, as grantees made more substantial progress on their projects.

Proprietary funds. Metro's proprietary funds statements provide the same type of information found in the government-wide financial statements on pages 46 -51, but in more detail.

At the end of fiscal year 2025, *unrestricted net position* of the Solid Waste Fund, Oregon Zoo Fund, and MERC Fund amounted to $21,073,800, $9,925,866, and $2,539,123, respectively. The total change in *unrestricted net position* for each fund equaled an increase of $440,215 for Solid Waste, a decrease of $2,406,281 for the Oregon Zoo, and a decrease of $12,552,517 for MERC. Solid Waste increased its rates in line with program expenditures, resulting in a near-flat change in unrestricted fund balance. The Oregon Zoo and MERC faced rising wage-related and administrative costs that outpaced revenue growth, leading to a decline in their unrestricted net position. These cost increases included inflationary adjustments embedded in venue contracts and employee pay rates.

BUDGETARY HIGHLIGHTS

As noted earlier, Metro's General Fund is used to account for general government operations and the programs of planning, development and research and a small portion of housing and culture and recreation. Over the course of the fiscal year, the Metro Council revised the budget for the General Fund three times, and total appropriations came to $177,389,785. The total budgeted appropriation for expenditures and transfers increased by $17,445,542 from the previous year, reflecting investments in key general-funded programs after several years of pandemic-related fluctuations as well as increased transfers out to support various departments with budgetary shortfalls.

Revenue from grants was $15,874,806, but budgeted at $17,517,167; this difference is related to delays in the execution of several transportation planning related grants in the last quarter of the fiscal year. Other significant variances in estimated and actual revenues include miscellaneous revenue and investment income. Miscellaneous revenue came in higher than budget due to intentional efforts to collect PERS bond debt service via employee payroll at a rate exceeding current year debt service needs to provide budget savings in future years. Investment income increased due to favorable market trends in contrast to the conditions at the time the budget was prepared. Expenditures in planning, development and research were $11,177,808 less than budgeted. Metro routinely budgets in a manner to ensure there is sufficient appropriation for potential TOD program purchases. All other departmental expenditures came in under budget due to uncertain financial outlook throughout the year and intentional efforts to curb spending to avoid budget cuts.

Year over year, the total revised budget across all funds was $2,301,917,966, down 19.3 percent from Fiscal Year 2024. A large portion of this budget is unappropriated fund balance in the Affordable Housing, Parks and Nature Bond and Zoo Bond 24 funds. The Affordable Housing funds are fully committed and expected to be

spent down in the next several years. The Parks and Nature Bond program is expecting to fully spend their voter approved bonding authority over the next eight to ten years. The Zoo Bond program forecasts that activities will be completed in about fourteen years. The unappropriated fund balance related to those programs will fluctuate as bonds are issued and funds expended.

Metro's Capital Assets
(Net of accumulated depreciation and amortization)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 333,970,842	323,919,615	26,194,419	26,194,419	360,165,261	350,114,034
Lease land	-	-	5,386,409	8,608,145	5,386,409	8,608,145
Intangible - easements	10,450,239	11,929,884	-	-	10,450,239	11,929,884
Artwork	484,645	484,645	1,184,358	1,184,358	1,669,003	1,669,003
Buildings and exhibits	31,917,816	20,746,658	243,376,650	254,561,508	275,294,466	275,308,166
Lease buildings and exhibits	16,303	211,921	4,174,885	4,585,529	4,191,188	4,797,450
Improvements	38,165,227	34,077,616	19,879,211	19,397,176	58,044,438	53,474,792
Equipment and vehicles	3,799,431	3,458,650	16,382,862	17,964,390	20,182,293	21,423,040
Lease equipment and vehicles	-	37,326	-	-	-	37,326
Intangible - software	1,856,421	2,419,929	198,488	95,887	2,054,909	2,515,816
Right to use asset - software	1,909,526	2,444,018	859,688	446,439	2,769,214	2,890,457
Office furniture/equipment	59,603	172,243	198,320	297,598	257,923	469,841
Railroad equipment/facilities	-	-	391,296	720,730	391,296	720,730
Construction in progress	23,520,201	28,991,236	16,419,582	5,089,981	39,939,783	34,081,217
Total	$ 446,150,254	428,893,741	334,646,168	339,146,160	780,796,422	768,039,901

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Metro's capital assets for its governmental and business-type activities total $780,796,422 (net of accumulated depreciation and amortization) as of June 30, 2025.

This investment includes land, buildings and exhibits, improvements, and various types of equipment. The total increase (including additions and deductions) in Metro's investment in capital assets for the current fiscal year was $12,756,521 or 1.7 percent, net of accumulated depreciation and amortization. In the current fiscal year, there was an increase of $17,256,513 or 4.0 percent in capital assets attributable to governmental activities and a decrease of $4,499,992 or 1.3 percent in business-type activity capital assets (additions to capital assets, less increases in accumulated depreciation and amortization). Additional information on Metro's capital assets can be found in Note IV.E to the financial statements.

Long-term debt. At the end of the current fiscal year, Metro had total debt outstanding of $997,410,084, net of unamortized premiums and discounts. Of this amount, $915,408,907 comprises debt backed by property tax assessments and $69,750,289 represents bonds secured by a broad pledge of Metro revenues, including property taxes used to support operations, and excise taxes levied on users of certain Metro services. Leases and subscription-based information technology arrangement (SBITA) payable make up the remainder of the balance.

The table below provides a summary of Metro's debt activity. Bonds are reflected net of unamortized premiums and discounts as disclosed in the notes to the financial statements.

Metro's total debt increased $140,195,205 or 16.4 percent during the current fiscal year. This is reflective of debt issuances in the Parks and Nature and Zoo Bond 24 funds of $125 million and $75 million, respectively. Additionally, outstanding debt increased due to SBITA payable increases related to additional eligible software contracts executed during the year. The issuances and SBITA increases are offset by scheduled debt, lease, and SBITA repayments.

Metro's Outstanding Debt

	Governmental Activities		Business-type activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation bonds	$ 915,408,907	765,094,158	-	-	915,408,907	765,094,158
Full Faith & Credit/Revenue	69,750,289	74,593,602	-	1,043,797	69,750,289	75,637,399
Leases payable	17,730	260,861	10,108,150	13,642,768	10,125,880	13,903,629
SBITA payable	1,684,579	2,200,442	440,429	379,251	2,125,008	2,579,693
Total	$ 986,861,505	842,149,063	10,548,579	15,065,816	997,410,084	857,214,879

In March 2020, both Standard & Poor's and Moody's reaffirmed Metro's top credit ratings (AAA and Aaa, respectively) for general obligation bonds, citing strong reserves, low debt, a broad tax base, and sound financial policies. In May 2020, Moody's also affirmed an Aa3 rating for Metro's 2017 Dedicated Tax Revenue Bonds, though assigned a negative outlook due to expected tourism declines from COVID-19. In April 2022, Moody's revised the outlook to stable, reflecting strong management, solid reserves, and improving hotel tax revenue. The Aa3 rating on special tax bonds and Aaa rating on general obligation bonds were reaffirmed at that time. In October 2024 and then again in March 2025, Moody's reaffirmed its Aaa rating on Metro's outstanding general obligation unlimited tax bonds and its Aa3 rating on dedicated tax revenue bonds. The ratings rationale in both reports cited solid reserve balances, favorable liquidity ratios, and a large tax base.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for Metro is $44,715,795,934, which is significantly in excess of Metro's outstanding general obligation debt.

Additional information on Metro's long-term debt can be found in Notes IV.K through IV.N in the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

By law, Metro must present a balanced budget. When accounting for all resources and requirements, the budget for fiscal year 2026 totals $1,857,050,606, down 19.3 percent from fiscal year 2025. A detailed discussion can be found in Metro's 2026 Adopted Budget.

Budgetary assumptions impacting Metro's budget are:

- Property taxes reflect Metro's permanent operating rate of $0.0966/$1,000 of assessed value; and the local option levy rate of $0.0960/$1,000 of assessed value. Fiscal year 2026 is the third year of the third five-year local option levy approved for renewal by voters in 2022. All levies assume a 3.0 percent increase in assessed value and a 94.5 percent collectible rate.
- Local government revenues include the Transient Lodging Tax (TLT) collected by Multnomah County to support operations of OCC and Portland'5 and capital funding for OCC and Expo, and the Visitor Facilities Trust Account (VFTA) allocations to OCC and Portland'5. Those revenues have been struggling to recover post-pandemic in-line with local economic conditions.
- Enterprise revenues include a 0.7 percent increase at MERC, a 2.2 percent increase at the Oregon Zoo, and a 6.1 percent increase in solid waste revenues.
- Personnel services costs are budgeted to increase by 4.8 percent. A large percentage of Metro staff are represented and salary increases are based on specific collective bargaining agreements, contributing to the personnel services cost increase. Additionally, PERS and healthcare costs are expected to increase, outpacing the savings resulting from the FTE decrease referenced below.

- The number of authorized positions decreased in the adopted fiscal year 2026 budget from the amended 2025 budget by a net 52.15 FTE to a total of 1,129.15 FTE as intentional FTE reductions were made across the departments struggling with budgetary shortfalls during fiscal year 2026 budget planning. The departments most impacted were MERC, Parks and Nature, Planning, Development and Research and many central services.
- Voters in greater Portland approved a supportive housing services tax in May 2020, levying a 1 percent tax on personal taxable income above $125,000 for individuals and $200,000 for those filing jointly, and a 1 percent tax on net business income for businesses with gross receipts in excess of $5.0 million. The budget anticipates $328.8 million in revenues and $499.3 million in payments to other governmental agencies for the implementation of the supportive housing services program, related tax collection, and program administration and oversight.
- Significant capital and bond project expenditures in fiscal year 2026 include $139.5 million to local partners for approved affordable housing projects and site acquisition, $25 million in payments to grantees and other governmental agencies for parks and natural area projects, $26 million for land acquisition and infrastructure work within the Metro parks and nature portfolio, $8 million for solid waste facility capital upgrades at the Metro Central and Metro South transfer, and $19 million for work at the Oregon Zoo for several guest experience and animal habitat construction projects funded by the recent voter-approved bond measure.

Metro's financial policies are the backbone of Metro's financial accountability and transparency. The fiscal year 2026 budget is a chance to prepare both for the coming fiscal year and for the longer term. Preparing for the future is a core element of Metro's charter and organizational culture.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Metro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metro, 600 NE Grand Avenue, Portland, Oregon, 97232-2736.

Basic Financial Statements



Metro

Government-Wide Financial Statements

METRO
Statement of Net Position
June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
ASSETS				
Equity in internal cash and investment pool	$ 63,048,949	103,082,574	166,131,523	2,987,280
Investments	-	-	-	22,516,148
Receivables (net of allowance for uncollectibles):				
Property taxes	548,725	-	548,725	-
Trade	43,996	13,571,077	13,615,073	201,815
Other	2,621,303	10,868,592	13,489,895	758,163
Interest	380,728	592,999	973,727	-
Grants	-	137,882	137,882	-
Internal balances	4,335,843	(4,335,843)	-	-
Lease receivable	1,434,792	-	1,434,792	-
Public-private partnership receivable	-	30,886,581	30,886,581	-
Inventories	-	705,290	705,290	-
Prepaid items	1,489,718	468,229	1,957,947	104,602
Other assets	271,200	30,000	301,200	-
Restricted assets:				
Equity in internal cash and investment pool	228,264,373	472,846	228,737,219	-
Investments	429,290,395	-	429,290,395	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,719,295	-	2,719,295	-
Personal and business income taxes	51,724,299	-	51,724,299	-
Trade	31,605	-	31,605	-
Other	644,098	-	644,098	-
Interest	3,526,234	-	3,526,234	-
Grants	4,474,008	-	4,474,008	-
Lease receivable	33,001	-	33,001	-
Assets held for resale	12,655,935	-	12,655,935	-
Advances	241,690,791	-	241,690,791	-
Prepaid items	663,482	-	663,482	-
Loans receivable	427,043	-	427,043	-
Net OPEB asset	1,237,129	1,219,626	2,456,755	-
Other assets	1,017,444	-	1,017,444	-
Capital assets:				
Capital assets, non-depreciable	368,425,927	43,798,359	412,224,286	-
Capital assets, net of accumulated depreciation and amortization	77,724,327	290,847,809	368,572,136	19,500
Total assets	1,498,724,640	492,346,021	1,991,070,661	26,587,508
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension amounts	34,360,169	31,117,983	65,478,152	-
Deferred OPEB amounts	519,434	712,752	1,232,186	-
Total deferred outflows of resources	34,879,603	31,830,735	66,710,338	-
LIABILITIES				
Accounts payable	31,061,401	13,873,847	44,935,248	67,401
Accrued salaries and benefits	3,025,812	2,790,715	5,816,527	-
Contracts payable	649,537	914,836	1,564,373	3,253,666
Accrued interest payable	4,268,143	40,168	4,308,311	-
Accrued self-insurance claims	1,140,000	-	1,140,000	-
Unearned revenue	567,017	6,719,553	7,286,570	518,281
Deposits payable	15,239	3,254,393	3,269,632	-
Other liabilities	230,458	935,381	1,165,839	-

(Continued)

METRO
Statement of Net Position, *continued*
June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
LIABILITIES, Continued				
Noncurrent liabilities:				
Due within one year:				
Leases payable	$ 17,730	437,782	455,512	-
SBITA payable	1,099,872	128,445	1,228,317	-
Bonds payable	67,140,000	-	67,140,000	-
Post-closure costs payable	-	1,031,260	1,031,260	-
Pollution remediation obligation	327,682	-	327,682	-
Compensated absences	5,313,214	4,283,103	9,596,317	-
Due in more than one year:				
Leases payable	-	9,670,368	9,670,368	-
SBITA payable	584,707	311,984	896,691	-
Bonds payable (net of unamortized premium or discount)	918,019,196	-	918,019,196	-
Total OPEB liability	1,400,114	1,969,641	3,369,755	-
Pollution remediation obligation	2,725,718	130,000	2,855,718	-
Compensated absences	1,262,499	859,044	2,121,543	-
Net pension liability	75,051,965	67,970,147	143,022,112	-
Total liabilities	1,113,900,304	115,320,667	1,229,220,971	3,839,348
DEFERRED INFLOWS OF RESOURCES				
Deferred lease amounts	1,329,094	-	1,329,094	-
Deferred public-private partnership amounts	-	29,436,715	29,436,715	-
Deferred pension amounts	7,841,747	7,101,809	14,943,556	-
Deferred OPEB amounts	539,647	689,198	1,228,845	-
Total deferred inflows of resources	9,710,488	37,227,722	46,938,210	-
NET POSITION				
Net investment in capital assets (1)	392,059,202	324,097,588	702,384,062	19,500
Restricted for:				
Parks and natural areas operations:				
Expendable	6,391,942	-	6,391,942	-
Non-expendable	218,791	-	218,791	-
Supportive housing services	256,352,974	-	256,352,974	-
Transit-oriented development projects	23,882,411	-	23,882,411	-
Planning projects	27,233,626	-	27,233,626	-
Smith and Bybee Wetlands management plan	968,302	-	968,302	-
Community enhancement:				
Expendable	1,359,224	-	1,359,224	-
Non-expendable	212,017	-	212,017	-
Willamette Falls Legacy project	16,943,440	-	16,943,440	-
Debt service	4,408,352	-	4,408,352	-
Capital projects	235,889,136	17,108,207	252,997,343	-
OPEB asset	1,237,129	1,219,626	2,456,755	-
Perpetual care: Non-expendable	747,747	-	747,747	-
Zoo purposes:				
Expendable	-	-	-	908,594
Non-expendable	-	-	-	1,194,628
Unrestricted (deficit)	(557,910,842)	29,202,946	(514,935,168)	20,625,438
Total net position	$ 409,993,451	371,628,367	781,621,818	22,748,160

(1) See Note II.D.16 in the notes to the financial statements

The notes to the financial statements are an integral part of this statement.

METRO
Statement of Activities
For the fiscal year ended June 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental activities:				
General government operations	$ 8,577,772	989,206	3,618,187	-
Planning, development and research	34,190,288	2,259,370	19,597,977	-
Housing	567,298,090	2,130	-	-
Culture and recreation	59,450,030	9,038,982	911,283	330,000
Interest	26,268,123	-	-	-
Total governmental activities	695,784,303	12,289,688	24,127,447	330,000
Business-type activities:				
Solid Waste	122,666,373	121,913,442	177,750	-
Oregon Zoo	56,657,616	32,046,843	5,208,340	-
MERC	96,286,342	56,388,190	21,625,902	1,395,953
Total business-type activities	275,610,331	210,348,475	27,011,992	1,395,953
Total primary government	$ 971,394,634	222,638,163	51,139,439	1,725,953
Component Unit:				
Oregon Zoo Foundation	$ 10,828,581	6,677,441	3,761,094	-
		General revenues:		
		Property taxes		
		Personal and business income taxes		
		Excise taxes		
		Construction excise tax		
		Cemetery revenue surcharge		
		Unrestricted investment earnings		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position - July 1, 2024		
		Net position - June 30, 2025		

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
(3,970,379)	-	(3,970,379)	
(12,332,941)	-	(12,332,941)	
(567,295,960)	-	(567,295,960)	
(49,169,765)	-	(49,169,765)	
(26,268,123)	-	(26,268,123)	
(659,037,168)	-	(659,037,168)	
-	(575,181)	(575,181)	
-	(19,402,433)	(19,402,433)	
-	(16,876,297)	(16,876,297)	
-	(36,853,911)	(36,853,911)	
(659,037,168)	(36,853,911)	(695,891,079)	
			(390,046)
124,245,297	-	124,245,297	-
324,964,017	-	324,964,017	-
22,580,785	-	22,580,785	-
3,427,490	-	3,427,490	-
80,985	-	80,985	-
33,831,374	7,048,683	40,880,057	2,209,740
(20,189,676)	20,189,676	-	-
488,940,272	27,238,359	516,178,631	2,209,740
(170,096,896)	(9,615,552)	(179,712,448)	1,819,694
580,090,347	381,243,919	961,334,266	20,928,466
$ 409,993,451	371,628,367	781,621,818	22,748,160

Metro

Fund Financial Statements

Fund Financial Statements

Governmental Funds

Major Funds

General Fund

The *General Fund* accounts for all activities not required to be accounted for in another fund. This fund accounts for Metro's primary governmental programs and support services including Council, Office of the Auditor, Office of Metro Attorney, Information Technology, Communications, Finance and Regulatory Services, Human Resources, Capital Asset Management (construction project management and Metro Regional Center building operations components), Planning, Development and Research (land use, urban growth management, research, and environmental and transportation planning), Housing, Diversity, Equity, and Inclusion, and special and non-departmental appropriations. The principal resources of the fund are charges for services, grants, property taxes, income taxes, construction excise tax, and excise taxes on Metro's facilities and services levied in accordance with the Metro Code.

The budgetary General Fund is combined with two other budgetary funds, the General Revenue Bond Fund – General and the General Asset Management Fund, to become one fund in accordance with accounting principles generally accepted in the United States of America.

Special Revenue Funds

Parks and Nature Operating Fund

This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

Affordable Housing Fund

This fund was established to account for bond proceeds and expenditures related to the 2018 Affordable Housing Measure. Metro sold $652.8 million in taxable bonds in May 2019 to fund affordable housing for low-income families, seniors, veterans and people with disabilities in the greater Portland region.

Supportive Housing Services Fund

This fund was established to account for income tax proceeds and expenditures related to the 2020 Supportive Housing Services Measure. Specifically, funds will provide funding for housing assistance and wraparound services. The principal source of revenue is personal and business income taxes.

Fund Financial Statements

Governmental Funds

Major Funds

Debt Service Fund

The General Obligation Bond Debt Service Fund accounts for payments of general obligation bond principal and interest to bondholders. The principal resources are property taxes and investment income.

Capital Projects Funds

Zoo Bond 24 Fund

This fund accounts for activities to protect animal health, provide conservation and education, and increase sustainability at the Oregon Zoo. The principal sources of revenue are bonds issued, premium on bonds issued, and investment income.

Parks and Nature Bond Fund

This fund accounts for activities to protect natural areas, water quality, and fish and wildlife habitat and connecting people to nature. The principal sources of revenue are bonds issued, premium on bonds issued, and investment income.

Nonmajor Funds

Other Governmental Funds

Other governmental funds include Smith and Bybee Wetlands Fund, Community Enhancement Fund, and Cemetery Perpetual Care Fund.

METRO
Balance Sheet and Reconciliation to Statement of Net Position
Governmental Funds
June 30, 2025

	General	Special Revenue: Parks and Nature Operating	Special Revenue: Affordable Housing	Special Revenue: Supportive Housing Services
ASSETS				
Equity in internal cash and investment pool	$ 126,539,996	9,307,369	54,274,432	36,781,407
Investments	-	-	165,873,687	-
Receivables:				
Property taxes	548,725	504,219	-	-
Personal and business income taxes	-	-	-	51,724,299
Trade	18,701	52,648	-	-
Other	2,769,736	401,064	-	-
Interest	636,410	50,664	734,054	195,392
Grants	4,474,008	-	-	-
Lease receivable	483,593	984,200	-	-
Assets held for resale	3,413,140	-	9,242,795	-
Advances	-	-	71,594,174	170,060,214
Prepaid items	463,433	218,791	-	2,396
Other assets	-	209,922	-	1,000,000
Loans receivable	427,043	-	-	-
Restricted assets:				
Equity in internal cash and investment pool	3,368,617	-	-	-
Total assets	$ 143,143,402	11,728,877	301,719,142	259,763,708
LIABILITIES				
Accounts payable	$ 8,137,453	1,725,378	12,038,545	2,902,891
Accrued salaries and benefits	2,021,555	555,015	35,783	173,428
Contracts payable	30,568	-	-	-
Unearned revenue	245,125	321,892	-	-
Deposits payable	6,435	8,804	-	-
Other liabilities	223,696	6,637	-	-
Total liabilities	10,664,832	2,617,726	12,074,328	3,076,319
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	464,069	423,038	-	-
Unavailable revenue-other	146,121	89,401	-	-
Deferred lease amounts	417,977	911,117	-	-
Total deferred inflows of resources	1,028,167	1,423,556	-	-
FUND BALANCES				
Nonspendable	463,433	218,791	71,594,174	170,062,610
Restricted	73,133,891	6,864,496	218,050,640	86,624,779
Committed	9,458,013	-	-	-
Assigned	6,378,912	604,308	-	-
Unassigned	42,016,154	-	-	-
Total fund balances	131,450,403	7,687,595	289,644,814	256,687,389
Total liabilities, deferred inflows of resources and fund balances	$ 143,143,402	11,728,877	301,719,142	259,763,708
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
The net pension liability, net OPEB asset, total OPEB liability, and related deferred outflows and inflows of resources are not available/payable in the current period and therefore are not reported in the funds.				
Property taxes and certain other revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.				
An internal service fund is used by management to charge the costs of insurance and risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.				
Long-term liabilities (including bonds payable) and related deferred inflows of resources, are not due and payable in the current period and therefore are not reported in the funds.				
Net position of governmental activities				

The notes to the financial statements are an integral part of this statement.

General Obligation Bond Debt Service	Capital Projects: Zoo Bond 24	Capital Projects: Parks and Nature Bond	Other Governmental Funds	Total Governmental Funds
6,145,801	3,827,768	46,581,684	2,842,336	286,300,793
-	73,605,325	189,811,383	-	429,290,395
2,215,076	-	-	-	3,268,020
-	-	-	-	51,724,299
-	-	4,252	-	75,601
-	-	33,199	61,401	3,265,400
97,115	609,055	1,558,382	15,662	3,896,734
-	-	-	-	4,474,008
-	-	-	-	1,467,793
-	-	-	-	12,655,935
-	-	-	36,403	241,690,791
-	-	-	175,614	860,234
-	-	8,722	-	1,218,644
-	-	-	-	427,043
12	-	-	-	3,368,629
8,458,004	78,042,148	237,997,622	3,131,416	1,043,984,319
-	115,305	5,763,232	256,353	30,939,157
-	19,955	203,839	-	3,009,575
-	5,377	613,592	-	649,537
-	-	-	-	567,017
-	-	-	-	15,239
-	-	125	-	230,458
-	140,637	6,580,788	256,353	35,410,983
1,868,414	-	-	-	2,755,521
-	-	25,443	-	260,965
-	-	-	-	1,329,094
1,868,414	-	25,443	-	4,345,580
-	-	-	959,764	243,298,772
6,589,590	77,901,511	231,391,391	1,883,030	702,439,328
-	-	-	-	9,458,013
-	-	-	32,269	7,015,489
-	-	-	-	42,016,154
6,589,590	77,901,511	231,391,391	2,875,063	1,004,227,756
8,458,004	78,042,148	237,997,622	3,131,416	
				446,150,254
				(48,716,741)
				3,016,486
				6,075,266
				(1,000,759,570)
				$ 409,993,451

METRO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2025

	General	Special Revenue		
		Parks and Nature Operating	Affordable Housing	Supportive Housing Services
REVENUES				
Property taxes	$ 20,618,414	19,092,485	-	-
Excise taxes	22,580,785	-	-	-
Personal and business income taxes	-	-	-	324,964,017
Construction excise tax	3,427,490	-	-	-
Cemetery revenue surcharge	80,985	-	-	-
Investment income	7,008,185	545,531	13,455,204	2,699,033
Government fees	6,292	8,275	-	-
Culture and recreation fees	14,172	5,592,765	-	-
Solid waste fees	-	-	-	-
Other fees	1,225,236	1,691,518	-	-
Internal charges for services	1,241,852	-	-	-
Licenses and permits	534,650	-	-	-
Miscellaneous revenue	150,607	78,501	-	2,130
Grants	15,874,806	379,995	-	-
Local government shared revenues	3,603,087	528,460	-	-
Government contributions	3,738,271	-	-	-
Total revenues	80,104,832	27,917,530	13,455,204	327,665,180
EXPENDITURES				
Current:				
General government operations	8,019,192	-	-	-
Planning, development and research	33,538,757	-	-	-
Housing	58,004	-	118,102,105	447,522,220
Culture and recreation	333,112	34,206,014	-	-
Debt service:				
Principal	4,430,000	-	-	-
Interest	3,260,048	-	-	-
Capital outlay	3,687,743	527,526	-	-
Total expenditures	53,326,856	34,733,540	118,102,105	447,522,220
Revenues over (under) expenditures	26,777,976	(6,816,010)	(104,646,901)	(119,857,040)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
SBITA	584,318	96,597	-	-
Sale of capital assets	29,405	58,415	-	-
Transfers in	2,943,665	7,404,073	950,000	-
Transfers out	(30,379,073)	(784,516)	(25,165)	(112,806)
Total other financing sources (uses)	(26,821,685)	6,774,569	924,835	(112,806)
Net change in fund balances	(43,709)	(41,441)	(103,722,066)	(119,969,846)
Fund balances - July 1, 2024	131,494,112	7,729,036	393,366,880	376,657,235
Fund balances - June 30, 2025	$ 131,450,403	7,687,595	289,644,814	256,687,389

The notes to the financial statements are an integral part of this statement.

General Obligation Bond Debt Service	Capital Projects: Zoo Bond 24	Capital Projects: Parks and Nature Bond	Other Governmental Funds	Total Governmental Funds
84,257,967	-	-	-	123,968,866
-	-	-	-	22,580,785
-	-	-	-	324,964,017
-	-	-	-	3,427,490
-	-	-	-	80,985
1,505,888	611,123	7,756,385	176,072	33,757,421
-	-	-	-	14,567
-	-	-	-	5,606,937
-	-	-	1,324,645	1,324,645
-	-	46,771	-	2,963,525
-	-	-	-	1,241,852
-	-	-	-	534,650
-	-	166,164	-	397,402
-	-	2,828	-	16,257,629
-	-	-	-	4,131,547
-	-	-	-	3,738,271
85,763,855	611,123	7,972,148	1,500,717	544,990,589
-	-	-	-	8,019,192
-	-	-	-	33,538,757
-	-	-	-	565,682,329
-	589,237	21,685,507	1,449,796	58,263,666
59,285,443	-	-	-	63,715,443
24,667,424	-	-	-	27,927,472
-	1,234,280	20,906,036	-	26,355,585
83,952,867	1,823,517	42,591,543	1,449,796	783,502,444
1,810,988	(1,212,394)	(34,619,395)	50,921	(238,511,855)
-	75,000,000	125,000,000	-	200,000,000
-	4,114,876	6,862,399	-	10,977,275
-	-	-	-	680,915
-	-	-	-	87,820
-	-	-	-	11,297,738
-	(971)	(136,917)	(27,900)	(31,467,348)
-	79,113,905	131,725,482	(27,900)	191,576,400
1,810,988	77,901,511	97,106,087	23,021	(46,935,455)
4,778,602	-	134,285,304	2,852,042	1,051,163,211
6,589,590	77,901,511	231,391,391	2,875,063	1,004,227,756

METRO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds		$ (46,935,455)
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation and amortization.		
Capital outlays	26,667,418	
Less current year depreciation and amortization	(5,590,293)	21,077,125
Modifications of right to use contracts result in expenditures for governmental funds while governmental activities report capital assets.		96,597
Governmental funds purchase capital assets that are subsequently transferred and then owned and depreciated by a proprietary fund in the statement of activities.		(9,026)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, while in governmental funds, the entire proceeds from sales increase financial resources. The change in net position differs from the change in fund balance by the book values of the assets disposed.		(3,863,808)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue-property taxes	276,430	
Change in unavailable revenue-other	206,111	482,541
An internal service fund is used by management to charge the costs of insurance and risk management to individual funds. The net revenue of certain activities of the internal service fund is included in governmental activities in the statement of activities.		(6,989)
The issuance of long-term debt provides current financial resources to governmental funds, but issuance of debt increases long-term liabilities in the statement of net position. The repayment of principal on long-term debt uses current financial resources of governmental funds, but repayment of debt reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas premiums and discounts are deferred and amortized in the statement of activities. These are the effects of the differences in the treatment of long-term debt and related items.		
Bonds issued	(200,000,000)	
Premium on bonds issued	(10,977,275)	
Principal payments on bonds	63,715,443	
Amortization of unamortized premium or discount	1,790,394	
Leases payable	243,131	
SBITA payable	471,311	(144,756,996)
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.		
Pollution remediation liability	5,554,224	
Other postemployment benefits	233,661	
Compensated absences	(619,085)	
Amortization of deferred charge on refunding	1,951,781	
Accruals associated with pension related obligations	(2,281,656)	
Arbitrage payable on bonds	1,050,684	
Accrued interest payable	(2,070,494)	3,819,115
Change in net position of governmental activities		$ (170,096,896)

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

Proprietary Funds

Enterprise Funds
Major Funds

Solid Waste Fund

This fund accounts for revenues, primarily from charges for services for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Oregon Zoo Fund

This fund accounts for revenues and expenses related to the management and operation of the Oregon Zoo. The principal sources of revenue are charges for services such as admission and membership fees, and food, beverage and gift sales. Expenses consist primarily of facility operation costs and payroll. This fund consists of two budgetary funds (Oregon Zoo Operating Fund and Oregon Zoo Asset Management Fund) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

MERC Fund

This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the OCC, Expo Center, and Portland'5. The principal sources of revenue are charges for services and local government shared revenue. Expenses consist primarily of management, food and beverage and operation costs. This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

Internal Service Fund
Major Funds

Risk Management Fund

This fund accounts for risk management and self-insurance programs performed for other organizational units within Metro. The primary revenue is charges for services to user funds. Primary expenses are insurance premiums, claims costs, and studies related to insurance issues.

METRO
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
ASSETS					
Current assets:					
Equity in internal cash and investment pool	$ 38,460,076	42,059,728	22,562,770	103,082,574	1,643,900
Receivables:					
Trade	8,732,763	1,912,278	2,926,036	13,571,077	-
Other	2,853,032	1,243,706	6,771,854	10,868,592	-
Interest	206,853	254,292	131,854	592,999	10,228
Grants	-	137,882	-	137,882	-
Public-private partnership receivable	-	2,766,598	1,429,769	4,196,367	-
Inventories	705,290	-	-	705,290	-
Prepaid items	215,340	215,570	37,319	468,229	1,292,967
Other assets	-	-	30,000	30,000	70,000
Total current assets	51,173,354	48,590,054	33,889,602	133,653,010	3,017,095
Noncurrent assets:					
Restricted equity in internal cash and investment pool	-	-	472,846	472,846	-
Public-private partnership receivable	-	16,020,316	10,669,898	26,690,214	-
OPEB asset	444,466	388,247	386,913	1,219,626	-
Capital assets, net	44,499,692	154,317,327	135,829,149	334,646,168	33,282
Total noncurrent assets	44,944,158	170,725,890	147,358,806	363,028,854	33,282
Total assets	96,117,512	219,315,944	181,248,408	496,681,864	3,050,377
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension amounts	10,694,730	9,737,602	10,685,651	31,117,983	-
Deferred OPEB amounts	314,250	210,926	187,576	712,752	-
Total deferred outflows of resources	11,008,980	9,948,528	10,873,227	31,830,735	-
LIABILITIES					
Current liabilities:					
Accounts payable	9,494,873	2,580,672	1,798,302	13,873,847	122,255
Accrued salaries and benefits	946,700	918,591	925,424	2,790,715	16,237
Contracts payable	135,629	299,249	479,958	914,836	-
Accrued interest payable	19,525	1,041	19,602	40,168	-
Accrued self-insurance claims	-	-	-	-	1,140,000
Unearned revenue	788,613	174,588	5,756,352	6,719,553	-
Deposits payable	-	-	3,254,393	3,254,393	-
Other liabilities	11,796	69	923,516	935,381	-
Leases payable-current	393,964	-	43,818	437,782	-
SBITA payable-current	90,348	16,584	21,513	128,445	-
Post-closure costs payable-current	1,031,260	-	-	1,031,260	-
Compensated absences-current	1,621,925	1,390,724	1,270,454	4,283,103	17,878
Total current liabilities	14,534,633	5,381,518	14,493,332	34,409,483	1,296,370

(Continued)

METRO
Statement of Net Position
Proprietary Funds, *continued*
June 30, 2025

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
LIABILITIES, *continued*					
Noncurrent liabilities:					
Leases payable	$ 4,002,992	-	5,667,376	9,670,368	-
SBITA payable	271,514	17,617	22,853	311,984	-
Total OPEB liability	877,861	580,111	511,669	1,969,641	-
Pollution remediation obligation	-	-	130,000	130,000	-
Compensated absences	85,520	430,619	342,905	859,044	14,584
Net pension liability	23,360,203	21,269,574	23,340,370	67,970,147	-
Total noncurrent liabilities	28,598,090	22,297,921	30,015,173	80,911,184	14,584
Total liabilities	43,132,723	27,679,439	44,508,505	115,320,667	1,310,954
DEFERRED INFLOWS OF RESOURCES					
Deferred pension amounts	2,440,773	2,222,335	2,438,701	7,101,809	-
Deferred public-private partnership amounts	-	17,923,206	11,513,509	29,436,715	-
Deferred OPEB amounts	293,856	206,888	188,454	689,198	-
Total deferred inflows of resources	2,734,629	20,352,429	14,140,664	37,227,722	-
NET POSITION					
Net investment in capital assets	39,740,874	154,283,129	130,073,585	324,097,588	33,283
Restricted for:					
Capital projects	-	16,635,362	472,845	17,108,207	-
OPEB asset	444,466	388,247	386,913	1,219,626	-
Unrestricted	21,073,800	9,925,866	2,539,123	33,538,789	1,706,140
Total net position	$ 61,259,140	181,232,604	133,472,466	375,964,210	1,739,423
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(4,335,843)	
Net position of business-type activities				$ 371,628,367	

The notes to the financial statements are an integral part of this statement.

METRO
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2025

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
OPERATING REVENUES					
Charges for services	$ 121,913,442	32,046,843	56,388,190	210,348,475	210,574
Internal charges for services	-	-	-	-	4,940,350
Total operating revenues	121,913,442	32,046,843	56,388,190	210,348,475	5,150,924
OPERATING EXPENSES					
Payroll and fringe benefits	28,830,219	27,871,948	30,006,183	86,708,350	513,194
Depreciation and amortization	2,762,269	7,565,534	5,294,569	15,622,372	44,377
Administration	20,562,353	8,666,040	11,250,016	40,478,409	-
Facility operations	30,261,420	10,699,504	23,655,962	64,616,886	-
Marketing	-	-	5,731,422	5,731,422	-
Food and beverage	-	-	13,051,111	13,051,111	-
Disposal fees	11,358,397	-	-	11,358,397	-
Waste transport	16,089,869	-	-	16,089,869	-
Special waste disposal fees	1,435,699	-	-	1,435,699	-
Landfill post-closure	146,271	-	-	146,271	-
Consulting services	3,478,786	1,842,271	665,152	5,986,209	-
Charges for services	698,262	13,280	278,926	990,468	-
Insurance	-	-	-	-	3,700,613
Claims	-	-	-	-	676,684
Actuarial claims	-	-	-	-	363,000
Other materials and services	3,083,063	-	-	3,083,063	37,977
Total operating expenses	118,706,608	56,658,577	89,933,341	265,298,526	5,335,845
Operating income (loss)	3,206,834	(24,611,734)	(33,545,151)	(54,950,051)	(184,921)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	2,230,210	2,749,661	2,068,813	7,048,684	73,953
Grants	177,750	1,328,217	170,023	1,675,990	770
Local government shared revenue	-	-	19,280,624	19,280,624	-
Government contributions	-	-	2,175,255	2,175,255	-
Contributions and donations	-	3,880,123	-	3,880,123	-
Contributions to other governments	-	-	(5,043,069)	(5,043,069)	-
Gain (loss) on disposal of capital assets	(240,221)	31,336	(1,027,269)	(1,236,154)	-
Waste reduction grants	(3,558,379)	-	-	(3,558,379)	-
Interest expense	(106,523)	(1,040)	(252,056)	(359,619)	(336)
Total non-operating revenues (expenses)	(1,497,163)	7,988,297	17,372,321	23,863,455	74,387
Income (loss) before transfers and capital contributions	1,709,671	(16,623,437)	(16,172,830)	(31,086,596)	(110,534)
Capital contributions	9,026	-	1,395,953	1,404,979	-
Transfers in	-	20,550,000	1,475,000	22,025,000	-
Transfers out	(633,932)	(577,204)	(633,214)	(1,844,350)	(11,040)
Change in net position	1,084,765	3,349,359	(13,935,091)	(9,500,967)	(121,574)
Total net position - July 1, 2024	60,174,375	177,883,245	147,407,557		1,860,997
Total net position - June 30, 2025	$ 61,259,140	181,232,604	133,472,466		1,739,423
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(114,585)	
Change in net position of business-type activities				$ (9,615,552)	

The notes to the financial statements are an integral part of this statement.

METRO
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2025

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
Cash flows from operating activities:					
Receipts from customers	$ 119,886,512	31,562,053	55,784,403	207,232,968	210,574
Receipts from interfund services provided	-	-	-	-	4,940,350
Payments to suppliers for goods and services	(64,988,590)	(11,679,242)	(42,331,147)	(118,998,979)	(3,957,285)
Payments for claims	-	-	-	-	(676,684)
Payments to employees for services	(28,575,728)	(27,820,526)	(29,712,695)	(86,108,949)	(536,593)
Payments for interfund services used	(20,562,353)	(8,949,387)	(11,250,016)	(40,761,756)	-
Net cash provided by (used in) operating activities	5,759,841	(16,887,102)	(27,509,455)	(38,636,716)	(19,638)
Cash flows from noncapital financing activities:					
Grants received	177,750	1,272,791	170,064	1,620,605	770
Local government shared revenues	-	-	19,353,021	19,353,021	-
Government contributions	-	-	2,175,255	2,175,255	-
Contributions and donations	-	3,880,123	-	3,880,123	-
Contributions to other governments	-	-	(5,043,069)	(5,043,069)	-
Grants to others	(3,685,783)	-	-	(3,685,783)	-
Transfers from other funds	-	20,550,000	1,475,000	22,025,000	-
Transfers to other funds	(633,932)	(577,204)	(633,214)	(1,844,350)	(11,040)
Net cash provided by (used in) noncapital financing activities	(4,141,965)	25,125,710	17,497,057	38,480,802	(10,270)
Cash flows from capital and related financing activities:					
Capital grants and contributions	9,026	-	1,395,953	1,404,979	-
Principal payment on bonds	-	-	(1,005,000)	(1,005,000)	-
Principal payment on leases	(383,854)	-	(154,831)	(538,685)	-
Principal payment on SBITA	(522,887)	(15,596)	(264,901)	(803,384)	(44,552)
Interest payments	(95,579)	(1,515)	(308,331)	(405,425)	(448)
Acquisition and construction of capital assets	(2,595,534)	(8,235,768)	(3,658,604)	(14,489,906)	-
Net cash used in capital and related financing activities	(3,588,828)	(8,252,879)	(3,995,714)	(15,837,421)	(45,000)
Cash flows from investing activities:					
Investment income	2,237,718	2,761,209	2,149,389	7,148,316	75,496
Net cash provided by investing activities	2,237,718	2,761,209	2,149,389	7,148,316	75,496
Net increase (decrease) in cash including restricted amounts	266,766	2,746,938	(11,858,723)	(8,845,019)	588
Cash at beginning of year including restricted amounts	38,193,310	39,312,790	34,894,339	112,400,439	1,643,312
Cash at end of year including restricted amounts	$ 38,460,076	42,059,728	23,035,616	103,555,420	1,643,900

(Continued)

METRO
Statement of Cash Flows
Proprietary Funds, *continued*
For the fiscal year ended June 30, 2025

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management
Equity in internal cash and investment pool	$ 38,460,076	42,059,728	22,562,770	103,082,574	1,643,900
Restricted equity in internal cash and investment pool	-	-	472,846	472,846	-
Total	$ 38,460,076	42,059,728	23,035,616	103,555,420	1,643,900
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 3,206,834	(24,611,734)	(33,545,151)	(54,950,051)	(184,921)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,762,269	7,565,534	5,294,569	15,622,372	44,377
Change in assets and liabilities:					
Trade/other accounts receivable	(2,026,929)	(484,788)	(603,786)	(3,115,503)	-
Public-private partnership	-	(376,776)	(188,669)	(565,445)	-
Inventories	473,595	-	-	473,595	-
Prepaid items	309,206	(123,797)	(1,814)	183,595	-
Other assets	-	97,998	-	97,998	(185,966)
Accounts payable	1,877,605	1,310,182	(2,501,014)	686,773	(32,729)
Accrued salaries, benefits and compensated absences	254,481	51,417	293,481	599,379	(23,399)
Contracts payable	(62,381)	299,249	158,543	395,411	-
Accrued self-insurance claims	-	-	-	-	363,000
Unearned revenue	(177,750)	(530,540)	2,090,339	1,382,049	-
Deposits payable	-	(83,541)	558,338	474,797	-
Other liabilities	787	(306)	900,709	901,190	-
Post-closure costs payable	(857,876)	-	-	(857,876)	-
Pollution remediation obligation	-	-	35,000	35,000	-
Total adjustments	2,553,007	7,724,632	6,035,696	16,313,335	165,283
Net cash provided by (used in) operating activities	$ 5,759,841	(16,887,102)	(27,509,455)	(38,636,716)	(19,638)
Noncash investing, capital, and financing activities:					
Acquisition of capital assets by means of a SBITA	$ 864,560	-	-	864,560	-
Non-cash portion of capital acquisitions	$ 9,026	(40,489)	-	(31,463)	-

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

I. HISTORICAL INTRODUCTION

Metro, the nation's only directly elected regional government, was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 268 to make available, in the Portland, Oregon metropolitan area, public services not adequately available through previously authorized governmental agencies. Under the 1992 Metro Charter, Metro's primary function is regional planning services. Metro is also authorized to exercise the following functions and is permitted by Charter to assume additional functions if approved by ordinance:

- Acquisition, development, maintenance and operation of:
  - a metropolitan zoo,
  - public cultural, trade, convention, exhibition, sports, entertainment, and spectator facilities,
  - facilities for disposal of solid and liquid wastes, and
  - a system of parks, open spaces and recreational facilities of metropolitan concern
- Metropolitan aspects of natural disaster planning and response coordination
- Development and marketing of data
- Performance of any other function required by state law or assigned to Metro by voters

The Metro Council is the governing body and consists of six part-time councilors, each elected on a nonpartisan basis from a single district within the Metro area. The Council President, who both administers the agency and presides over the policymaking of the Council, is elected from the Metro area at large. A Chief Operating Officer, appointed by the Council President and confirmed by the Council, is responsible for the day-to-day administration of Metro, under the guidance of the Council President and the full Council. The Metro Auditor is elected at large, and that office performs financial and performance audits and makes reports to the Council and Chief Operating Officer.

The Metropolitan Exposition-Recreation Commission (MERC) was established by Metro ordinance to operate, maintain and renovate metropolitan convention, trade and spectator facilities pursuant to appropriate state statutes. The Commission consists of seven members, five recommended to the Council by local governments and two directly appointed by the Council President, and all confirmed by the Council. MERC is not legally separate from Metro.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Metro have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following summary of Metro's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. THE REPORTING ENTITY

1. Primary Government

Metro is a municipal corporation governed by a Council President and six Councilors. As required by GAAP, Metro's financial statements present Metro (the primary government) and its component unit – the Oregon Zoo Foundation (OZF), a legally separate non-profit organization whose sole purpose is to provide support and

significant additional funding for Metro's Oregon Zoo (the Zoo). This discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from Metro. For materiality reasons, disclosures accompanying Metro's financial statements have generally been limited to those of the primary government.

2. Discretely Presented Component Unit

OZF - The legally separate OZF exists exclusively for the support and benefit of the Zoo. It is a public benefit corporation organized and operated under Section 501(c)(3) of the Internal Revenue Code. The OZF conducts fundraising efforts on behalf of the Zoo, receiving donations from both individuals and corporations that are provided as financial support to the Zoo. The OZF is included in Metro's report under the provisions of GASB Statement No. 39. Complete financial statements for OZF can be obtained from the Finance Manager at 4001 SW Canyon Road, Portland, OR 97221-2799.

B. BASIC FINANCIAL STATEMENTS

1. Government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been eliminated from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as *general revenues*, as are internally dedicated resources.

2. Fund financial statements are presented for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using an *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. All transactions affecting increases (revenues) and decreases (expenses) in total net position during the period are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Governmental funds' operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) of fund balance during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both "measurable and available"). "Measurable" means the amount of the

transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Metro considers revenue arising from federal and state grants to be available in the period when the underlying related expenditures for reimbursement based grants have been incurred, if it is known that all eligibility requirements that allow for billing of the amount to the grantor agency under the applicable grant agreement have been satisfied. All other revenue is considered available if received within 60 days of fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt, including lease liabilities, which are recorded when due and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions, including intangible right-to-use lease assets and subscription-based information technology arrangement assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, income taxes, excise taxes, construction excise tax, cemetery revenue surcharges, grants, local government shared revenues, government contributions, charges for services, and investment income are susceptible to accrual. Contributions, donations and other receipts become measurable and available when cash is received and are recognized as revenue at that time.

The accounts of Metro are organized on the basis of funds, each of which is a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. The segregation by fund is for the purpose of carrying on specific activities or attaining certain objectives in accordance with ordinances, special regulations, restrictions or limitations. The various funds are grouped by fund type and classified into two broad fund categories: governmental and proprietary.

Major funds are those whose revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Additional funds may be reported as a major fund if Metro's officials believe that fund is particularly important to financial statement users. Metro reports the following major governmental funds:

General Fund – This fund accounts for all activities not required to be accounted for in another fund: Metro's primary governmental programs and support services including Council, Office of the Auditor, Office of Metro Attorney, Information Technology and Records Management, Communications, Finance and Regulatory Services, Diversity, Equity, and Inclusion, Human Resources, Capital Asset Management (construction project management and Metro Regional Center building operations components), Planning, Development, and Research (land use, urban growth management, and environmental and transportation planning), Housing, and special non-departmental appropriations. The budgetary General Fund is combined with two other budgetary funds, the General Revenue Bond Fund – General and the General Asset Management Fund, to become one fund in accordance with accounting principles generally accepted in the United States of America.

Special Revenue Funds – Special revenue funds account for revenues (other than fiduciary resources or major capital projects) that are legally restricted to expenditures for specific purposes. Metro's major special revenue funds are:

Parks and Nature Operating Fund– This fund accounts for a dedicated local option levy and other funding that is used to improve water quality and restore wildlife habitat, wetlands, and floodplains in the region, as well as needed upkeep to parks, nature education and community partnerships throughout the region.

Affordable Housing Fund– This fund was established to account for bond proceeds and expenditures related to the 2018 Affordable Housing Measure. Metro sold $652.8 million in taxable bonds in May 2019 to fund affordable housing for low-income families, seniors, veterans and people with disabilities in the greater Portland region.

Supportive Housing Services Fund– This fund was established to account for income tax proceeds and expenditures related to the 2020 Supportive Housing Services Measure. Specifically, funds will provide funding for housing assistance and wraparound services.

Debt Service Fund – The *General Obligation Bond Debt Service Fund* accounts for payments of general obligation bond principal and interest to bondholders.

Capital Projects Funds - This fund type is used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Metro's major capital projects funds are:

Zoo Bond 24 Fund – This fund accounts for activities to protect animal health, provide conservation and education, and increase sustainability at the Oregon Zoo.

Parks and Nature Bond Fund – This fund accounts for activities to protect natural areas, water quality, and fish and wildlife habitat and connecting people to nature.

Metro reports the following major proprietary funds:

Enterprise Funds - These funds account for the financing of predominantly self-supporting activities that are funded through service charges and user fees to customers. Metro's enterprise funds are:

Solid Waste Fund - This fund accounts for revenues, primarily from charges for services for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Oregon Zoo Fund - This fund accounts for revenues and expenses related to the management and operation of the Oregon Zoo. The principal sources of revenue are charges for services such as admission and membership fees, and food, beverage and gift sales. Expenses consist primarily of facility operation costs and payroll. This fund consists of two budgetary funds (Oregon Zoo Operating Fund and Oregon Zoo Asset Management Fund) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

MERC Fund - This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the Metro-owned Oregon Convention Center (OCC) and the Portland Expo Center (Expo). In addition, under the provisions of an intergovernmental agreement with the City of Portland, MERC is responsible for the operation and management of the City-owned Portland'5 Centers for the Arts (Portland'5). This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

Internal Service Fund - Internal service funds are used to account for activities or services furnished by designated departments to other organizational units. Charges are made to the user departments to support these activities. Metro's internal service fund is:

Risk Management Fund - This fund accounts for risk management and self-insurance programs performed for other organizational units within Metro.

Metro also reports *nonmajor* funds of the following fund types:

Special Revenue Funds

Permanent Fund - This fund type is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are direct charges for services between various funds that represent services provided and used. Elimination of these charges would distort the measurement of the cost of individual functional activities. Certain indirect costs for central administration and support have been included as part of program expenses reported for the various functions in the government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste Fund, Oregon Zoo Fund, MERC Fund, and of the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCES

1. Cash and Investments

Metro maintains a cash and investment pool that is available for use by all funds for investment purposes, excluding the component unit. Interest earned on pooled investments is allocated monthly based upon each fund's average monthly cash balance. Investments are presented at fair value within the fair value hierarchy established by GAAP. Fair value is determined annually as of June 30.

For purposes of the statement of cash flows, cash is considered to be cash on hand, demand deposits, cash in restricted accounts and equity in the internal cash and investment pool. All pooled investment purchases and maturities are part of Metro's cash management activity and are considered cash and cash equivalents.

As authorized by State statutes, policies recommended by Metro's Investment Advisory Board and adopted by the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, certain corporate promissory notes, State of Oregon and local government securities, debt obligations of the states of California, Idaho and Washington and their political subdivisions, and the State Treasurer's Local Government Investment Pool (LGIP).

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as "due to/from other funds" (short-term) and "advances to/from other funds" (long-term) in the fund financial statements. The residual balances outstanding between governmental activities and business-type activities, along with the other interfund balances described above, are reported in the government-wide financial statements as "internal balances."

Uncollected property taxes receivable collected and remitted to Metro by county treasurers within approximately 60 days of fiscal year end are recognized as revenue. The remaining balance is recorded as unavailable revenue because it is not deemed available to finance operations of the current period. Under state law, county

governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes are assessed and become a lien against the property as of July 1 each year. Since property taxes may be collected by foreclosure, no allowance for doubtful accounts is deemed necessary. Property taxes are levied on November 15 and are payable in three installments that are due on November 15, February 15 and May 15. Taxes unpaid and outstanding after May 16 are considered delinquent.

Income tax receivable is considered measurable once received by the tax collector. Estimated payments received prior to the due date are recorded as revenue.

Other receivable consists primarily of contracts receivable, lodging tax receivable, and other miscellaneous receivable. The underlying revenue is recorded when earned and included in other receivable until collected.

Receivables are stated net of an allowance for uncollectibles when required.

Metro allocates indirect costs, primarily of an administrative nature, to grants in compliance with cost allocation plans that are subject to the approval of Metro's oversight agency. The plan in effect for fiscal year 2025 allocated indirect costs to grants at a rate of approximately 17.2 percent of the related direct personnel costs.

3. Public-Private Partnership (PPP) Receivable

PPP receivables and deferred inflows of resources are reported in the government-wide and proprietary fund financial statements. At the commencement of a PPP contract, the receivable is initially measured at the present value of payments expected to be received during the contract term. Subsequently, the PPP receivable is reduced by the principal portion of payments received. The deferred inflow of resources is initially measured as the initial amount of the PPP receivable, adjusted for payments received at or before the contract commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the contract term.

Metro uses its estimated incremental borrowing rate as the discount rate for PPPs where Metro is the transferor. The contract term includes the noncancellable period of the PPP. Receipts included in the measurement of the PPP receivable are composed of fixed payments to be received from the operator over the term of the contract.

4. Advances

Payments made to other jurisdictions or grantees in advance of spending on eligible activity are recorded as advances. Expenses and expenditures are recognized once funds are expended on the eligible purpose.

5. Inventories and Prepaid Items

Inventories are valued at lower of cost or market and are charged as expenses when consumed. The method used to determine the cost of inventory is first-in, first-out method. Payments to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method.

6. Animal Collections

In accordance with industry practice, animal collections of the Zoo are recorded at the nominal amount of $1, as there is no objective basis for establishing value. Differences in attributes such as species, age, sex, endangered status, and breeding potential make it impracticable to assign value. Acquisitions are recorded as expenses of the operating activity.

7. Transit-Oriented Development (TOD) Program Easements

Metro purchases easements on various TOD projects from developers. These easements contain property use conditions for periods of up to 30 years to accomplish the goals of the TOD program. Metro does not consider the substance of such easements as assets, but rather project funding and amounts paid are reflected as a period cost. This policy is based on the concept that assets are resources that Metro controls and that have a

present capacity to provide services, directly or indirectly. TOD easements, while a contractual or property right controlled by Metro, are entered into for the purposes of developing properties that increase transit ridership. The transit system is a service function of a wholly separate government entity. In the broadest sense, success of the program through TOD easements can enable the region and its individual government entities to maximize future resources. As such, there is no increase in Metro's present capacity to provide service and TOD easements are effectively contributions to the programs and service capacity of other governments.

8. Restricted Assets

Resources for future payment of bonds and certain long-term liabilities or activities have been classified as restricted assets on the statement of net position because their use is limited by certain applicable agreements or state laws. Assets of the Parks and Nature Operating Fund are restricted by Measure 26-225, a voter-approved five-year local option property tax levy. Assets of the Debt Service, Zoo Bond 24, Affordable Housing, and Parks and Nature Funds are restricted by state law controlling the use of bond proceeds. Assets of the Smith and Bybee Wetlands Fund, and portions of the General Fund related to the TOD program and Willamette Falls Legacy project are restricted by contractual agreements with third parties. Assets of the Community Enhancement, Construction Excise Tax, Supportive Housing Services, and the Cemetery Perpetual Care Funds are restricted by state law and/or Metro Code.

9. Capital Assets

Capital assets, which include land, intangible easements, artwork, construction in progress, buildings and exhibits, improvements, equipment and vehicles, lease assets, subscription-based information technology arrangements, intangible software, office furniture and equipment, and railroad equipment and facilities, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as assets with an initial cost of $50,000 or more, and an estimated useful life in excess of one year. Capital assets are recorded at cost (except for lease assets and subscription-based information technology arrangements assets, the measurement of which is discussed in notes 12 and 13 below), and donated capital assets are stated at acquisition value when received, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Normal maintenance and repairs are charged to operations as incurred. Replacements exceeding $50,000 that improve or extend the lives of property are capitalized.

Capital assets are recorded as capital outlay expenditures in the governmental funds statements when purchased. Capital assets in the enterprise and internal service funds are capitalized when purchased. Interest expense incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred and is not capitalized as part of the asset's historical cost.

Depreciation/amortization is computed using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and exhibits	20-50
Improvements	10-65
Equipment and vehicles	8-20
Intangible-software	5-20
Office furniture and equipment	5-20
Railroad equipment and facilities	10
Lease assets	1-60
SBITA assets	1-5

Pursuant to an intergovernmental agreement with the City of Portland, Metro (through MERC) operates and manages activities for Portland'5, but capital assets purchased from funds derived from these operations become property of the City. As such, these expenses are reflected as contributions to other governments and are not capitalized.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for *deferred outflows of resources*, which represents a consumption of net assets that applies to future periods and will *not* be recognized as an outflow of resources (expense/expenditure) until that time. Metro reports two items in the government-wide statement of net position: deferred pension amounts and deferred OPEB amounts. Deferred pension and OPEB amounts are contributions to the pension plan subsequent to the measurement date of the plan for reporting purposes and are recognized as outflows of resources in the following fiscal year.

In addition to liabilities, the statement of net position reports a separate section for *deferred inflows of resources*, which represents an acquisition of net assets that apply to future periods and will *not* be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position reports deferred pension and OPEB amounts which represent the net difference between projected and actual earnings on pension plan investments and the changes in proportionate share of contributions. The government-wide statement of net position also reports deferred lease amounts and deferred public-private partnership amounts which represents the net present value of future receipts. In addition, the government-wide statement of net position also reports a deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Metro also has *unavailable revenue,* which arises only under a modified accrual basis of accounting and so is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: deferred leases, property taxes and other. All deferred inflows are recognized as inflows of resources in the period that the amounts become available.

11. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same accrual basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to formal commitments, as well as statutory and PERS Board requirements. Expenses are recognized when incurred. Benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Withdrawals are recognized in the month they are due and payable. Investments are reported at fair value.

12. Leases

Lessee Arrangements: Lease liabilities and intangible right-to-use lease assets (lease assets) are reported in the government-wide and proprietary fund financial statements. Metro recognizes lease liabilities with an initial, individual value of $50,000 or more. At the commencement of the lease, lease liabilities are measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The interest rate charged by the lessor is used as the discount rate. When the interest rate charged by the lessor is not provided, Metro's estimated incremental borrowing rate is used. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that is reasonably certain to be exercised.

Lease assets are reported with capital assets and leases payables are reported as liabilities on the statement of net position.

Lessor Arrangements: Lease receivables and deferred inflows of resources are reported in the government-wide and fund financial statements. At the commencement of a lease, the lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Metro uses its estimated incremental borrowing rate as the discount rate for leases where Metro serves as the lessor. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments to be received from the lessee over the term of the lease.

13. Subscription-Based Information Technology Arrangements (SBITA)

SBITA liabilities and intangible right-to-use SBITA assets are reported in the government-wide and proprietary fund financial statements. Metro recognizes SBITA liabilities with an initial, individual value of $50,000 or more. At the commencement of the agreement, SBITA liabilities are measured at the present value of payments expected to be made during the contract term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the contract commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

The interest rate charged by the SBITA vendor is used as the discount rate. When the interest rate charged by the vendor is not provided, Metro's estimated incremental borrowing rate is used. The SBITA term includes the noncancellable period of the agreement. SBITA payments included in the measurement of the liability are composed of fixed or fixed in substance payments.

SBITA assets are reported with capital assets and SBITA payables are reported as liabilities on the statement of net position.

14. Long-term Obligations

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and deferred charge on refunding amounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported on the statement of net position net of the unamortized portion of premiums or discounts.

For governmental fund types in the fund financial statements, bond premiums, discounts and issuance costs are recognized in the period incurred. The face amount of debt issued plus any premium received on issuance is reported as other financing sources. Discounts on issuance are reported as other financing uses. Issuance costs are reported as expenditures.

15. Liability for Compensated Absences

Liability for compensated absences is recognized for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave may qualify for liability recognition for compensated absences- vacation and sick leave, if deemed material. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured as the result of employee resignations or retirements. The liability for

compensated absences includes salary-related benefits, where applicable. The amount due within one year is estimated as a historical average of leave taken during a fiscal year.

16. Fund Balances and Net Position

Fund balance is classified in the governmental fund financial statements in five components to give users information necessary to understand any constraints imposed upon the resources and how those constraints may be modified or eliminated. Fund balance is classified as *nonspendable* when amounts cannot be spent because they are either in nonspendable form, such as prepaid expenditures, advances, long-term receivables, or inventory, or are legally required to remain intact, such as the corpus of a permanent fund. Amounts classified as *restricted* fund balance are amounts with constraints imposed externally by creditors, grantors, contributors, or the laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Metro Council is the highest level of decision-making authority for Metro that can, by adopting an ordinance or resolution, place constraints on resources that are reported as *committed* fund balance. These commitments can be modified or rescinded only by Council adoption of subsequent ordinance or resolution. *Assigned* fund balances are amounts intended to be used for specific purposes but do not meet the criteria to be classified as committed. Metro Council has, by resolution, authorized the Chief Operating Officer to assign fund balance. Metro's assigned fund balance category also reflects the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's adopted budget, as well as the encumbered amounts that represent commitments of resources. *Unassigned* fund balance is available for other uses and only the general fund may report a positive unassigned fund balance amount. It is Metro's policy to use restricted resources first, then unrestricted resources as needed when both restricted and unrestricted resources are available for use. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

In the government-wide statement of net position and the statement of net position for proprietary funds, limitations on how the net position may be used are reported as restrictions. Restrictions may be placed by an external party providing the resources, by enabling legislation, or by the nature of the asset.

The government-wide statement of net position includes the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds, a governmental activities function. The amount of long-term debt outstanding on the bonds is reflected as a liability (and as a component of unrestricted net position) in the governmental activities column, whereas the associated capital assets financed by this debt are reflected as assets (and as a component of net investment in capital assets) in the business-type activities column. The primary government total column has been adjusted to match the debt against the assets in the net investment in capital assets category.

E. ADOPTION OF NEW GASB PRONOUNCEMENTS

During the fiscal year ended June 30, 2025, Metro implemented the following GASB statements that were applicable to Metro's operations:

GASB statement No. 101, *Compensated Absences*. Issued June 2022, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement has no impact on Metro's beginning net position for the current fiscal year.

GASB statement No. 102, *Certain Risk Disclosures.* Issued December 2023, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. This statement has no impact on Metro's financial statements for the current fiscal year.

F. FUTURE ADOPTION OF GASB PRONOUNCEMENTS

Metro will implement future GASB pronouncements no later than the required effective date. Metro is currently evaluating the applicability of the following GASB pronouncements for their impact on Metro's financial statements in subsequent years:

- GASB Statement No. 103, *Financial Reporting Model Improvements,* effective for reporting periods beginning after June 15, 2025.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* effective for reporting periods beginning after June 15, 2025.

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. Elements of that reconciliation explain that capital assets, net pension liability and related amounts, and long-term liabilities/deferred outflows are either not reported or are reported as unavailable in the funds. The details of these differences are:

	Capital assets	Net pension and OPEB liability and related amounts	Long-term liabilities/ deferred inflows
Capital assets	$ 496,001,676	-	-
Accumulated depreciation and amortization	(49,851,422)	-	-
Deferred pension amounts (deferred outflows)	-	34,360,169	-
Net pension liability	-	(75,051,965)	-
Deferred pension amounts (deferred inflows)	-	(7,841,747)	-
Net OPEB asset	-	1,237,129	-
Deferred OPEB amounts (deferred outflows)	-	519,434	-
Total OPEB liability	-	(1,400,114)	-
Deferred OPEB amounts (deferred inflows)	-	(539,647)	-
Accrued interest payable	-	-	(4,268,143)
Leases payable	-	-	(17,730)
SBITA payable	-	-	(1,717,861)
Bonds payable (net of unamortized premium/discount)	-	-	(985,159,196)
Pollution remediation obligation	-	-	(3,053,400)
Compensated absences	-	-	(6,543,240)
Net adjustment to fund balance-total governmental funds to arrive at net position-governmental activities	$ 446,150,254	(48,716,741)	(1,000,759,570)

IV. DETAILED NOTES ON ALL FUNDS CASH AND INVESTMENTS

A. CASH AND INVESTMENTS

Metro pools virtually all funds for investment purposes. Each fund's portion of this pool is reported as "equity in internal cash and investment pool."

Policies adopted by Metro's Investment Advisory Board and the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, certain corporate promissory notes, State of Oregon and local government securities, debt obligations of the states of California, Idaho and Washington and their political subdivisions, and the State Treasurer's local government investment pool (LGIP). The LGIP is an external investment pool that is not rated by any national rating agency. LGIP investments are reported at fair value and are materially the same as the value of the pool shares. The State Treasurer's investment policies are governed by Oregon Revised Statutes and the Oregon Short Term Fund Board (OSTFB).

Fair Value Measurements- Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their value, as follows:

Level 1- Unadjusted quoted prices for identical instruments in active markets.

Level 2- Quoted prices for similar instruments in active markets; quoted prices for identical or similar investments in markets that are not active.

Level 3- Valuations derived from valuation techniques in which significant inputs are unobservable.

Equity in internal cash and investment pool on the Statement of Net Position includes the internal pool reported below. The OZF component unit does not participate in the internal investment pool of Metro. As of June 30, 2025, Metro had the following investments and maturities presented at fair value within the fair value hierarchy established by GAAP:

Investment Type	Standard & Poor's Ratings	Held by		Fair Value		Investment Maturities (in months)		
		Individual funds	Internal pool	Level 1	Level 2	Less than 3	3-17	18-62
U.S. Treasuries	AA+	$ 291,639,393	132,788,948	424,428,341	-	62,949,895	172,304,838	189,173,608
U.S. Government securities - USGSE	AA+	66,430,272	120,314,836	-	186,745,108	58,204,035	33,621,052	94,920,021
Corporate Debt								
	AA+	-	3,542,767	-	3,542,767	-	2,446,950	1,095,817
	AA-	-	3,964,840	-	3,964,840	-	3,964,840	-
	A	-	17,788,040	-	17,788,040	-	1,999,140	15,788,900
	A+	-	17,614,477	-	17,614,477	5,000,000	3,042,540	9,571,937
Commercial Paper								
	A-1	54,512,450	-	-	54,512,450	34,763,150	19,749,300	-
	Unrated	16,708,280	-	-	16,708,280	-	16,708,280	-
Municipal Bonds								
	AA	-	3,191,297	-	3,191,297	-	-	3,191,297
	AA+	-	4,138,161	-	4,138,161	-	4,138,161	-
	AAA	-	10,637,926	-	10,637,926	-	3,592,801	7,045,125
	AA-	-	2,244,009	-	2,244,009	-	2,244,009	-
	A+	-	750,000	-	750,000	750,000	-	-
Sub-total		429,290,395	316,975,301	424,428,341	321,837,355	161,667,080	263,811,911	320,786,705
State Treasurer's investment pool		-	61,573,465					
Total Investment		429,290,395	378,548,766					
Cash deposits		-	16,319,976					
Total cash and investments		$ 429,290,395	394,868,742					
Per statement of net position:								
Unrestricted		$ -	166,131,523					
Restricted		429,290,395	228,737,219					
Total		$ 429,290,395	394,868,742					

Interest Rate Risk - As a means of limiting its exposure to fair value losses resulting from rising interest rates, Metro's investment policy allows only the purchase of investments that are intended to be held to maturity. However, securities may be sold prior to maturity in order to improve the quality, net yield, or maturity characteristics of the portfolio. The structure of the investment portfolio aims to fund cash needs of ongoing operations, thereby avoiding the need to sell securities. Metro uses a laddered or constant stream of maturing securities in constructing the portfolio to ensure ample liquidity to support business operations without the need to sell securities. Investments cannot be made predicated upon selling the security prior to maturity. Metro avoids purchasing callable investments unless liquidity needs can be met without relying on the call being exercised.

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted an investment policy that was submitted to and reviewed by the OSTFB. Metro's investment policy has been reviewed by the OSTFB. Metro limits investment maturities as follows:

Maturity	Minimum to mature
Under 3 months	10 percent minimum
Under 18 months	25 percent minimum
Under 63 months	100 percent minimum

Credit Risk - Metro's investment policy seeks to minimize credit risk by (1) limiting exposure to poor credits and concentrating investments in the safest types of securities, (2) diversification, (3) pre-qualification of the financial institutions, broker/dealers, and advisers with which Metro will do business, and (4) active monitoring of the portfolio. Neither Oregon Revised Statutes nor Metro investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies or from USGSE. Other allowed investments, by

Metro policy, must have a minimum rating as follows: bankers acceptances, A-1; corporate notes, AA-, or A- if an Oregon based entity; commercial paper, A-1, or A-2 if an Oregon entity; municipal debt, AA- for debt of the states of Idaho, California or Washington or their political subdivisions, or A- if the state of Oregon or its political subdivisions. Private placement or 144A securities and mortgage-backed securities are not allowed. The State Investment Pool is unrated.

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Custodial Credit Risk - Metro monitors custodial credit risk on deposits (the risk that if a bank failed, Metro's deposits would not be returned) in accordance with Metro investment policy which specifies the requirements of Oregon statutes. Oregon Revised Statutes Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program, a collateral pool administered by the Oregon State Treasurer. Bank depositories are required to pledge collateral against any public funds deposits in excess of federal deposit insurance amounts. The Oregon Treasury monitors each depository bank and ensures compliance with collateralization requirements for all Oregon public fund deposits. Banks are able to pledge a reduced amount if they are well capitalized; and in turn, the banks are required to share in the liability of a failed institution, should it ever occur. Public entities are required to verify that deposit accounts in excess of federal deposit insurance limits are maintained only at financial institutions included on the list of qualified depositories found on the Treasurer's website. It is the responsibility of the public official to ensure compliance with these requirements in order to eliminate personal liability in the event of a bank loss. Metro also monitors its depository institutions for indications of financial health. At June 30, 2025, all of Metro's deposits were insured as described above.

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, Metro will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Metro's investment policy requires that all trades are executed by delivery vs. payment to ensure that securities are deposited for safekeeping in an eligible financial institution prior to the release of funds. As of June 30, 2025, Metro had no investments that were held by either counterparty or the counterparty's trust department agent. Therefore, Metro has no outstanding investments that were exposed to custodial credit risk.

Concentration of Credit Risk - To avoid incurring unreasonable risks inherent in over-investing in specific instruments or in individual financial institutions, Metro diversifies its portfolio and follows the Metro investment policy which sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. In addition, Oregon Revised Statutes require no more than 25 percent of the moneys of a local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2025, Metro was in compliance with all percentage restrictions. More than 5 percent of Metro's total investments are in securities by the following issuers:

			Fund Concentrations Exceeding Total Entity Concentration		
Issuer	Percentage of Total Investments (Total Entity Concentration)	Policy Allowed Maximum	Affordable Housing Fund	Parks and Nature Bond Fund	Zoo Bond 24 Fund
Federal Home Loan Bank (FHLB)	10.4%	40.0%	23.9%	-	-
Federal Farm Credit Banks Funding Corporation (FFCB)	8.2%	40.0%	-	-	-
State Treasurer's Investment Pool	7.6%	100.0%	-	-	-
U.S. Treasuries	52.5%	100.0%	-	87.7%	95.3%

B. PUBLIC-PRIVATE PARTNERSHIP RECEIVABLE

The following changes occurred during fiscal year 2025 in public-private partnership (PPP) receivable:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Business-type activities:				
Food and beverage provider agreement; interest at 1%, principal and interest from $249,583 to $333,999 monthly, final payments due 2032	$ 28,645,492	-	(2,901,520)	25,743,972
Gift shop operator agreement; interest at 4%, principal and interest of $97,875 to $120,749 monthly, final payments due 2029	6,213,559	-	(1,070,950)	5,142,609
Business-type activities Total public-private partnership receivable	$ 34,859,051	-	(3,972,470)	30,886,581

Metro has entered into two public-private partnerships (PPP) as a transferor for gift shop operations and food and beverage provisions. The gift shop operator agreement conveys the right and related obligation to operate the Oregon Zoo's retail space for the sale of retail items as well as facilitation of stroller, wheelchair, and wagon rentals. The food and beverage provider agreement conveys the right and related obligation to manage all food and beverage concession services and operate the food preparation facilities at the Portland'5, Expo and Oregon Zoo venues. During the year ended June 30, 2025, Metro recognized $4,537,915 in PPP revenue and $496,242 in interest revenue. The PPP receivable is calculated based on fixed components of the underlying agreements, which only include the guaranteed minimum fees presently. Both PPP agreements also include variable payments which are not included in the measurement of the PPP receivable as they are based on a revenue share structure. These variable payments are considered inflows of resources in the period in which they relate. Total variable payments received during the year ended June 30, 2025 approximate $1.2 million.

C. ASSETS HELD FOR RESALE

Acquisition and improvements to real property that is purchased with the intent to sell to private-sector purchasers meeting certain criteria under Metro's TOD and Housing programs are reported in governmental activities in the statement of net position as Assets Held for Resale. Such assets are reported at the lower of cost or net realizable value. The carrying value at June 30, 2025 is:

Property Name	Address	Amount
Gresham Civic	NW Civic Drive & NW 15th, Gresham, OR	$ 2,648,104
Milwaukie Town Center	10700 SE McLoughlin Boulevard, Milwaukie, OR	409,186
The Crossings	Section 4, Township 1, South Range 3 East (Parcel 2), Gresham, OR	355,850
Barbur Value Inn	10450 SW Barbur Blvd, Portland, OR	4,250,000
Aloha 209th	3140 SW 209th Ave, Beaverton, OR	2,952,795
Lake Oswego Boones Ferry Rd	16719, 16731, 16745 & 16759 SW Boones Ferry Rd, 5110 & 5126 W Sunset Dr, Lake Oswego, OR	2,040,000
		$ 12,655,935

D. LOANS RECEIVABLE

TOD Loans

TOD loans receivable, reflected in the schedule below, are loans to developers who agree to develop projects in accordance with TOD program criteria. The loans are secured by the underlying property, which is subject to TOD use restrictions for a period of 30 years. Metro's security interest in the property is subordinate to other security interests on the property. These loans receivable are not discounted in accordance with guidance in GASB Statement No. 62.

Details on loans receivable at June 30, 2025 are as follows:

Maximum Term	Interest Rate	First Payment	Last Payment	Payment Frequency	TOD Loans
50 years	0 to 1%	03/01/28	03/01/58	annually	$ 427,043

E. CAPITAL ASSETS

Capital asset balances and activity for fiscal year 2025 were as follows:

	Balance July 1, 2024	Increases	Decreases	Modifications	Reclassifications and Transfers	Balance June 30, 2025
Governmental activities:						
Capital assets, non-depreciable:						
Land	$ 323,919,615	-	(19,426)	-	10,070,653	333,970,842
Intangible-easements	11,929,884	-	(1,685,527)	-	205,882	10,450,239
Artwork	484,645	-	-	-	-	484,645
Construction in progress	28,991,236	26,083,099	(1,207,405)	-	(30,346,729)	23,520,201
Total non-depreciable	365,325,380	26,083,099	(2,912,358)	-	(20,070,194)	368,425,927
Capital assets, depreciable:						
Buildings and exhibits	41,614,694	-	(826,224)	-	12,641,185	53,429,655
Lease buildings and exhibits	798,775	-	-	-	-	798,775
Improvements	52,206,060	-	(2,520,942)	-	6,635,475	56,320,593
Equipment and vehicles	7,814,455	-	(322,926)	-	738,409	8,229,938
Lease equipment and vehicles	228,913	-	(228,913)	-	-	-
Intangible-software	4,369,401	-	(286,069)	-	-	4,083,332
Right to use asset-software	3,542,104	584,319	-	96,597	-	4,223,020
Office furniture and equipment	551,974	-	(61,538)	-	-	490,436
Total depreciable	111,126,376	584,319	(4,246,612)	96,597	20,015,069	127,575,749
Accumulated depreciation:						
Buildings and exhibits	(20,868,036)	(1,245,381)	601,578	-	-	(21,511,839)
Lease buildings and exhibits	(586,854)	(195,618)	-	-	-	(782,472)
Improvements	(18,128,444)	(1,926,908)	1,899,986	-	-	(18,155,366)
Equipment and vehicles	(4,355,805)	(425,678)	304,877	-	46,099	(4,430,507)
Lease equipment and vehicles	(191,587)	(37,327)	228,914	-	-	-
Intangible-software	(1,949,472)	(503,459)	226,020	-	-	(2,226,911)
Right to use asset-software	(1,098,086)	(1,215,408)	-	-	-	(2,313,494)
Office furniture and equipment	(379,731)	(84,889)	33,787	-	-	(430,833)
Total accumulated depreciation	(47,558,015)	(5,634,668)	3,295,162	-	46,099	(49,851,422)
Total capital assets, depreciable, net	63,568,361	(5,050,349)	(951,450)	96,597	20,061,168	77,724,327
Governmental activities capital assets, net	$ 428,893,741	21,032,750	(3,863,808)	96,597	(9,026)	446,150,254

	Balance July 1, 2024	Increases	Decreases	Modifications	Reclassifications and Transfers	Balance June 30, 2025
Business-type activities:						
Capital assets, non-depreciable:						
Land	$ 26,194,419	-	-	-	-	26,194,419
Artwork	1,184,358	-	-	-	-	1,184,358
Construction in progress	5,089,981	14,521,369	(211,441)	-	(2,980,327)	16,419,582
Total non-depreciable	32,468,758	14,521,369	(211,441)	-	(2,980,327)	43,798,359
Capital assets, depreciable:						
Lease land	10,539,734	-	-	(3,413,270)	-	7,126,464
Buildings and exhibits	492,688,193	-	(3,335,678)	-	-	489,352,515
Lease buildings and exhibits	5,817,456	-	-	-	-	5,817,456
Improvements	47,107,273	-	(608,168)	-	1,835,383	48,334,488
Equipment and vehicles	35,613,908	-	(1,674,500)	-	1,060,658	35,000,066
Intangible-software	1,419,989	-	(6,214)	-	139,410	1,553,185
Right to use asset-software	986,180	864,560	-	-	-	1,850,740
Office furniture and equipment	1,444,856	-	(212,517)	-	-	1,232,339
Railroad equipment and facilities	3,658,683	-	-	-	-	3,658,683
Total depreciable	599,276,272	864,560	(5,837,077)	(3,413,270)	3,035,451	593,925,936
Accumulated depreciation:						
Lease land	(797,043)	(225,804)	-	-	-	(1,022,847)
Buildings and exhibits	(238,126,685)	(10,485,658)	2,636,478	-	-	(245,975,865)
Lease buildings and exhibits	(1,231,927)	(410,644)	-	-	-	(1,642,571)
Improvements	(27,710,097)	(1,353,348)	608,168	-	-	(28,455,277)
Equipment and vehicles	(17,649,518)	(2,236,974)	1,315,386	-	(46,098)	(18,617,204)
Intangible-software	(1,324,102)	(36,498)	5,903	-	-	(1,354,697)
Right to use asset-software	(539,741)	(451,311)	-	-	-	(991,052)
Office furniture and equipment	(1,147,258)	(92,701)	205,940	-	-	(1,034,019)
Railroad equipment and facilities	(2,937,953)	(329,434)	-	-	-	(3,267,387)
Total accumulated depreciation	(291,464,324)	(15,622,372)	4,771,875	-	(46,098)	(302,360,919)
Total capital assets, depreciable, net	307,811,948	(14,757,812)	(1,065,202)	(3,413,270)	2,989,353	291,565,017
Business-type activities capital assets, net	$ 340,280,706	(236,443)	(1,276,643)	(3,413,270)	9,026	335,363,376

In 1984, a lease-leaseback agreement was entered into for theater land. In a lease-leaseback transaction, each party is a lessor and a lessee. Since each portion of the transaction is with the same counterparty, a right of offset exists. The lease-leaseback is presented net on the Statement of Net Position in accordance with GASB Statement No. 87, *Leases*. As such, the Capital Assets footnote total for business-type activities is $717,208 higher than the amount shown on the Statement of Net Position. The difference consists of the June 30, 2025 balance in deferred inflows related to leases, which is netted with capital assets on the Statement of Net Position.

Additional note disclosure of the gross amounts of the lease and leaseback provide essential information about the magnitude of each portion of the transaction. See Note IV.K.1.

An agreement between the City of Portland and Metro regarding the real property at the Zoo provides that the property must be used for zoo or zoo related purposes and, if such property ceases to be used for such purposes or is used for other purposes, title reverts to the City. Metro was in compliance with this agreement for the fiscal year ended June 30, 2025.

Bond proceeds accounted for in the Zoo Bond 24 capital projects fund in governmental activities are expended for the benefit of the Oregon Zoo enterprise fund, and the resulting assets are owned and depreciated by the enterprise fund. This asset activity is shown as transfers from governmental activities to business-type activities.

Capital assets for MERC are those of Metro-owned facilities. Capital assets used in operating the Portland'5 are not included in the statement of net position of Metro as title to the assets remains with the City in accordance with

an intergovernmental consolidation agreement. These capital assets are included in the Annual Comprehensive Financial Report of the City of Portland.

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government operations	$ 2,010,474
Planning, development and research	171,827
Housing	3,177
Culture and recreation	3,449,190
Total depreciation and amortization expense - governmental activities	$ 5,634,668
Business-type activities:	
Solid Waste	$ 2,762,269
Oregon Zoo	7,565,534
MERC	5,294,569
Total depreciation and amortization expense - business-type activities	$ 15,622,372

F. UNEARNED REVENUE

Unearned revenue is reported for resources that have been received, but not yet earned. The details of these amounts at June 30, 2025 were:

	Governmental Activities	Business-type Activities
Advance ticket sales/registrations	$ 63,311	5,818,996
Unredeemed gift certificates	104,446	109,619
Advance park reservations	154,135	-
Grant and contract drawdowns prior to meeting all eligibility requirements	245,125	790,938
Total	$ 567,017	6,719,553

G. DEFERRED COMPENSATION PLAN

Metro offers its employees a 401(k) deferred compensation plan in accordance with Internal Revenue Code provisions. The plan is available to all Metro employees and permits employees to contribute a portion of their salary to the plan to obtain favorable tax treatment for amounts contributed. Moneys accumulated under the plan are deposited with a trustee for the exclusive benefit of the participants and are invested in mutual funds that are self-directed by participants. The deferred compensation is not available to participants until termination, retirement, death, or certain hardship conditions. In accordance with authoritative guidance, the plan is not included in Metro's financial statements.

H. PENSION PLAN

1. Defined Benefit Plan Description

Name of pension plan - Metro participates in the Oregon Public Employees Retirement System (PERS) which is a cost-sharing multiple employer defined benefit pension plan.

Description of benefit terms - Benefit provisions and other requirements of the system are established by the State of Oregon legislature pursuant to Oregon Revised Statutes, Chapters 238 and 238A.

a. Tier One/Tier Two Retirement Benefit (Chapter 238). This segment of the plan is closed to new members hired on or after August 29, 2003.

Pension benefits. The PERS retirement allowance is payable monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic

benefit is most commonly based on years of service and final average salary. A percentage (1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

Death benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability benefits. A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement. Members may choose to continue participation in their variable equities account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), which are capped at 2.0 percent per year.

b. Oregon Public Service Retirement Plan (OPSRP). This pension program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension benefits. OPSRP provides a life pension funded by employer contributions and earnings. Benefits are calculated with the following formula for General Service members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or, if the pension program is terminated, the date on which termination becomes effective.

Death benefits. Upon the death of a non-retired member, the spouse (or other person who is constitutionally required to be treated in the same manner as the spouse), receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

Disability benefits. A member who has accrued ten or more years of retirement credits before the member

becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement. Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments.

Contributions **-** PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the PERS Retirement Health Insurance Account described in Note IV.H.2.

Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2023. Metro has previously made a lump sum payment to establish a side account, and its rates have been reduced. Metro's actuarially determined contribution rate for the Tier One/Tier Two and OPSRP plans was 20.19 percent and 16.97 percent of subject payroll, respectively. Employer contributions recognized by PERS for the fiscal year ended June 30, 2025 were $19,828,405.

A ten year schedule of Defined Benefit Pension Plan Contributions can be found in the Required Supplementary Information section of this report.

Pension plan ACFR **-** Both the PERS and OPSRP plans are administered by the Oregon Public Employees Retirement Board (OPERB), which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Actuarial valuation **-** The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized as described in the following table.

Actuarial methods and assumptions used to measure the total pension liability -

Valuation Date	December 31, 2022
Experience Study Report	2022, published July 24, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of combined payroll; Tier One/Tier Two Unfunded Actuarial Liability (UAL) is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Fair value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Projected salary increases	3.40 percent
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

Discount rate. The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed asset allocation and the Oregon Investment Council's (OIC) target are provided in the table below:

Asset Class/strategy	Low Range	High Range	OIC Target
Debt securities	20.0%	30.0%	25.0%
Public equity	22.5	32.5	27.5
Real estate	7.5	17.5	12.5
Private equity	15.0	27.5	20.0
Real assets	2.5	10.0	7.5
Diversifying strategies	2.5	10.0	7.5
Opportunity portfolio	0.0	5.0	0.0
Total			100.0%

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the OIC's investment advisors. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Global equity	27.5%	7.1%
Private equity	25.5	8.8
Core fixed income	25.0	4.5
Real estate	12.2	5.8
Master limited partnerships	0.8	6.0
Infrastructure	1.5	6.5
Hedge fund of funds- multistrategy	1.3	6.3
Hedge fund equity- hedge	0.6	6.5
Hedge fund- macro	5.6	4.8
Assumed inflation - mean		2.4

Sensitivity of Metro's proportionate share of the net pension liability to changes in the discount rate- The following presents Metro's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what Metro's proportionate share of the net pension liability would be if it were calculated using a discount rate that was one percentage point lower or one percentage point higher than the current rate:

Metro's Net Pension Liability	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined benefit pension plan	$ 225,611,575	143,022,112	73,849,404

Determination of Metro's proportionate share - Metro's actuarially determined proportionate share of the plan amounts was 0.64345414 percent for the fiscal year ended June 30, 2024 (measurement date). Metro's share of pension balances are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2022) to the measurement date of June 30, 2024 and subtracting the plan's net position as of June 30, 2024.

The basis for Metro's proportion is actuarially determined by comparing Metro's projected long-term contribution effort to the plan with the total projected long-term contribution effort for all employers. The rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The projected long-term effort is estimated by projecting the present value of all future Normal Cost Rate Contributions (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the Normal Cost Rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For PERS funding, employers may have three different payrolls, each with a different Normal Cost Rate:

- Tier 1/Tier 2 payroll
- OPSRP General Service payroll
- OPSRP Police and Fire payroll

A UAL exists when Plan assets are less than the actuarial liability as measured by the Plan's actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percentage of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

The projected long-term contribution effort is equal to the sum of the PVFNC and the UAL. After Metro's projected long-term contribution effort is calculated, that amount is reduced by the value of Metro's supplemental lump-sum payments, known as side accounts. Side accounts decrease Metro's projected long-term contribution effort because side accounts are effectively prepaid contributions.

The preparation of these amounts in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Pension plan's fiduciary net position - Detailed information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position can be found in the separately issued ACFR for the plan which is available as noted above.

Payables to the pension plan - At June 30, 2025, Metro reported a payable of $749,632 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2025.

Pension Expense, Net Pension Liability or Asset, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the fiscal year ended June 30, 2025, Metro recognized a net pension liability of $143,022,112 and a pension expense of $22,671,585. At June 30, 2025, Metro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental activities		Business-type activities		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Differences between expected and actual experience in the measurement of the total pension liability	$ 4,446,135	179,124	4,026,602	162,223	8,131,390
Changes in assumptions	7,545,748	9,668	6,833,742	8,755	14,361,067
Net difference between projected and actual earnings on pension plan investments	4,767,898	-	4,318,005	-	9,085,903
Changes in the employer's proportion	6,562,999	4,737,481	5,943,721	4,290,458	3,478,781
Differences between employer contributions and employer's proportionate share of system contributions	632,279	2,915,474	572,618	2,640,373	(4,350,950)
Total (prior to post-measurement date contributions)	23,955,059	7,841,747	21,694,688	7,101,809	30,706,191
Contributions subsequent to the measurement date	10,405,110	-	9,423,295	-	19,828,405
Net deferred outflows/(inflows) of resources	$ 34,360,169	7,841,747	31,117,983	7,101,809	50,534,596

The $19,828,405 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows (outflows and inflows netted):

Fiscal year ended June 30:	Governmental activities	Business-type activities	Total
2026	$ (583,969)	(528,866)	(1,112,835)
2027	7,767,621	7,034,678	14,802,299
2028	4,849,237	4,391,669	9,240,906
2029	3,387,902	3,068,224	6,456,126
2030	692,521	627,174	1,319,695
Total	$ 16,113,312	14,592,879	30,706,191

2. Defined Contribution Pension Plan

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) of OPSRP. Although existing PERS members retain their existing PERS account, all current member contributions are deposited into the member's IAP, a defined contribution pension plan. Accounts are credited with earnings and losses net of administrative expenses. The IAP, as part of OPSRP, is administered by the PERS Board which is directed to adopt any rules necessary to administer OPSRP. The IAP is provided to all members or their beneficiaries who are PERS or OPSRP eligible.

State statutes require covered employees to contribute six percent of their annual covered salary to the IAP plan effective January 1, 2004. Metro pays for the IAP contribution for all employees. An IAP member becomes vested on the date the employee account is established. If Metro makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5, 10, 15, 20 year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. Each distribution option has a $200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives a lump sum of the member's account balance, rollover account balance, and the vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Metro paid contributions to the IAP of $6,738,516 for the fiscal year ended June 30, 2025, which is included in payroll and fringe benefits expense. At June 30, 2025, a payable to the IAP portion of the plan in the amount of $275,814 for the contractually required contributions for the month of June 2025 is included in accrued salaries and benefits.

I. OTHER POSTEMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for Metro combines two separate plans. Metro provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

1. Metro Retiree Health Insurance Plan - Implicit Rate Subsidy

Plan Description - All employees of Metro retiring from active service with a pension benefit payable immediately under Oregon PERS are eligible for other postemployment benefits (OPEB) relating to health care. As required by state law, retirees of Metro and their dependents under age 65 are allowed to receive the same health care coverage at tiered premium rates as offered to active Metro employees, resulting in an implicit rate subsidy (health care premiums priced only for retirees would be more expensive than tiered premiums because retirees have higher health care claims on average). The implicit rate subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. Metro has not established a trust that meets the criteria in paragraph 4 of GASB Statement 75 for the accumulation of assets. Metro's single-employer OPEB plan does not issue a publicly available financial report.

Benefits Provided - The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums.

As of the valuation date July 1, 2023, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	20
Active employees	977
Total	997

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Metro's total OPEB Liability of $3,369,755 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023. The actuarial report did not provide classification of the liability between current and long-term. For the fiscal year ended June 30, 2025, Metro recognized OPEB expense from this plan of $288,078.

At June 30, 2025, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 235,673	292,972
Changes in assumptions	648,975	605,797
Benefit payments	262,751	-
Total	$ 1,147,399	898,769

Deferred outflows of resources related to OPEB of $262,751 resulting from Metro's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	
2026	$ (41,681)
2027	(29,957)
2028	(29,738)
2029	(45,507)
2030	(12,198)
Thereafter	144,960
Total	$ (14,121)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2023 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Salary increases	3.40 percent
Mortality	Pub-2010 General Service Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees. Future mortality improvement is projected generationally with unisex 2019 Social Security data scale.
Discount rate	3.93 percent (change from 3.65 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: 11.3 percent in the first year, 6.4 percent in the second year, and varying from 5.7 to 3.8 percent over the remainder of the projection period. Dental: 4.00 percent per year

The discount rate was based on the Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2024	$ 3,310,490
Changes for the year:	
Service cost	219,088
Interest on total OPEB liability	124,851
Effect of assumptions changes or inputs	(64,715)
Benefit payments	(219,959)
Balance as of June 30, 2025	$ 3,369,755

Changes in assumptions are the result of the change in the discount rate from 3.65 percent to 3.93 percent.

Sensitivity of the Total OPEB Liability **-** The following presents Metro's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point-higher (4.93 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$ 3,604,662	3,369,755	3,149,887

Healthcare Cost Trend Rate:	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 3,071,929	3,369,755	3,716,355

2. PERS Retirement Health Insurance Account

Plan Description **-** Metro contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. The authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants on or after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS website at https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits Provided **-** Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS requires that an amount equal to $60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of $60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS, or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions **-** PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. Metro's contribution rates for the period were 0.00% for Tier One/Tier Two members, and 0.00% for OPSRP members. Metro's total contribution for the year ended June 30, 2025 was -$242.

Total OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB **-** At June 30, 2025, Metro reported an asset of $2,456,755 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. Metro's proportion of the net OPEB asset was based on Metro's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2025, Metro's proportionate share was 0.6082% which is an increase from its proportion of 0.4731% as of June 30, 2024.

For the year ended June 30, 2025, Metro recognized OPEB income from this plan of $533,831. At June 30, 2025, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	$ 69,367	-
Changes of assumptions	-	31,075
Changes in proportionate share	15,420	250,709
Differences between expected and actual experience	-	48,050
Contributions subsequent to the measurement date	-	242
Total	$ 84,787	330,076

Deferred inflows of resources related to OPEB of $242 resulting from Metro's contribution credits subsequent to the measurement date will be recognized as a reduction in the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	
2026	$ (351,758)
2027	61,173
2028	37,528
2029	8,010
Total	$ (245,047)

Actuarial Assumptions and Other Inputs - The total OPEB asset based on the December 31, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience study	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

All other actuarial methods and assumptions are consistent with those disclosed in the OPERS Pension Plan. See Note IV.H.1, for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

Sensitivity of Metro's proportionate share of the net OPEB asset to changes in the discount rate - The following presents Metro's proportionate share of the net OPEB asset, calculated using the discount rate of 6.90%, as well as what Metro's proportionate share of the net OPEB asset would be if it were calculated using a discount rate of 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	$ (2,274,209)	(2,456,755)	(2,613,933)

OPEB Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

J. COMMITMENTS

1. Columbia Ridge Landfill

Metro has waste disposal service agreements with the owner and operator of Columbia Ridge Landfill in Gilliam County, Oregon for disposal of solid waste from the transfer stations owned by Metro. The monthly disposal rate will be adjusted annually by an amount equivalent to 90 percent of the annual change of CPI on July 1 each year until the contract expires on December 31, 2029. The rate for fiscal year 2025 is $19.78 per ton. The estimated increased rate for fiscal year 2026 is $20.30 per ton.

2. Waste Transport

Solid waste transport from Metro facilities to Columbia Ridge Landfill and other disposal sites is privately contracted through December 31, 2029. For fiscal year 2025, the unit price is $719.13 per load (equivalent to about $21.34 per ton). The current contract will adjust the per load unit price by a percentage equal to 95 percent of the annual percent change of CPI every July 1. The additional unit prices for the contract includes a mile tax of $77.95 not subject to the CPI increases.

The contract calls for Metro to reimburse the contractor for the cost of shuttle fuel used at the transfer stations. The fuel price is highly variable and tied to a weekly index, but historically has added $10 to $15 to the cost of each load.

Renewable bulk fuel is purchased through a State of Oregon cooperative contract.

3. Metro South Station

The operation of Metro South, a solid waste transfer station and materials recovery facility is privately contracted through December 31, 2026. Monthly payments for personnel costs, maintenance, and equipment are on a reimbursed basis within agreed parameters plus a gross margin. There are prices for putrescible and non-putrescible waste and other waste materials that are subject to CPI adjustments annually and performance adjustments.

4. Metro Central Station

The operation of Metro Central, a solid waste transfer station and materials recovery facility is privately contracted through December 31, 2028. The contractor receives incentives for materials recovered from the waste stream and not sent to Columbia Ridge Landfill. The cost of transfer, transport and processing at remote composting sites is also included. The contractor provides transfer services and arranges for transport and processing. All payments are adjusted annually on July 1 in an amount equal to CPI.

5. Summary

The following table presents approximate annual commitments based on forecasted refuse tons and assumed annual inflation equal to the average of the preceding four fiscal years for all of the previously described contracts. The figures for Metro South and Metro Central reflect costs and tonnage as estimated at contract prices and tonnage from the tonnage forecast and at various contract expiration dates.

Fiscal year ending June 30:	Columbia Ridge Landfill	Waste Transport	Metro South	Metro Central
2026	$ 12,336,201	14,169,828	12,202,790	13,127,566
2027	12,666,049	14,527,567	6,238,968	13,510,077
2028	12,872,934	14,817,643	-	13,776,467
2029	13,172,014	15,140,792	-	7,056,650
2030	6,737,572	7,726,429	-	-
Total	$ 57,784,770	66,382,259	18,441,758	47,470,760

6. Construction Projects

Metro is committed under a number of contracts for construction services. The amount of major uncompleted contracts is approximately $4,270,000 at June 30, 2025.

7. Affordable Housing

Metro Council has approved the following projects under the Affordable Housing Bond program. The projects fund affordable housing for low-income families, seniors, veterans and people with disabilities in the Metro region.

Housing Partner	Project	Commitment
City of Beaverton	Senior Housing on 5th	$ 10,500,000
Clackamas County	Hillside Park, Bldg D & E	5,500,000
Clackamas County	Clackamas Heights	15,000,000
City of Gresham	Civic Drive Family Housing	2,100,000
Metro Site Acquisition Program (Gresham)	SAP - Gresham Civic NE Parcel	2,950,000
City of Portland	Barbur Apartments	18,559,384
City of Portland	Abbey Townhomes	1,200,000
City of Portland	Jamii Court (former Portland Value Inn)	6,155,974
Metro Site Acquisition Program (Portland)	SAP - Jamii Court (former Portland Value Inn)	7,336,006
City of Portland	Carey Boulevard	6,087,267
City of Portland	Gooseberry Trails (former Capitol Hill)	5,451,773
City of Portland	Broadway Corridor	40,250,000
Total		$ 121,090,404

K. LEASES

1. Lease Receivable

The following changes occurred during fiscal year 2025 in lease receivable:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Governmental activities:				
Restaurant building lease; interest at 2%, principal and interest from $6,214 to $8,042 monthly, final payments due 2037	$ 1,004,900	-	(55,756)	949,144
Cell tower land lease; interest at 1%, principal and interest of $2,057 monthly, final payments due 2026	50,863	-	(24,282)	26,581
Office building sub-lease, interest at 4%, principal and interest of $8,504 monthly, final payments due 2025	108,012	-	(99,536)	8,476
Parking garage lease, interest at 4%, principal and interest of $21,000 monthly, final payments due 2027	711,286	-	(227,694)	483,592
Governmental activities Total lease receivable	$ 1,875,061	-	(407,268)	1,467,793
Business-type activities:				
Theater land leaseback; interest at 4%, principal and interest of $2,812 monthly, final payments due 2083	$ 1,168,505	-	(406,941)	761,564
Business-type activities Total lease receivable (1)	$ 1,168,505	-	(406,941)	761,564

During the year ended June 30, 2025, Metro recognized $387,056 in lease revenue and $45,602 in interest revenue for governmental activities. Additionally, during the year ended June 30, 2025, Metro recognized $14,570 in lease revenue and $32,004 in interest revenue for business-type activities. During the fiscal year, there were no inflows of resources related to variable or other payments not previously included in the measurement of the lease receivable.

2. Leases Payable

Metro has entered into various lease agreements to use nonfinancial assets when ownership does not make sense or is feasible. Specific lease agreements include large equipment, buildings, office space, parking lots, and land. The related obligations are presented in the amount equal to the present value of lease payments payable during the remaining lease term. The associated lease assets are presented in Note IV.E as part of Capital Assets. Contract terms range from 1 to 60 years and interest rates used to calculate the net present value range from 1 to 5 percent.

During the fiscal year, there were no outflows of resources related to variable payments not previously included in the measurement of the lease liability. Additionally, there were no associated impairment losses.

Future minimum lease payments under lease agreements and the present value of the net minimum lease payments are shown below as of June 30, 2025:

Governmental activities:

Fiscal year ending June 30:	Principal	Interest
2026	$ 17,730	15
Total future payments	$ 17,730	15

Business-type activities:

Fiscal year ending June 30:	Principal	Interest
2026	$ 441,128	342,100
2027	431,430	332,876
2028	440,744	323,561
2029	450,272	314,033
2030	460,018	304,288
2031-35	2,454,291	1,367,232
2036-40	308,844	1,200,873
2041-45	280,005	1,149,994
2046-50	341,886	1,088,114
2051-55	417,441	1,012,559
2056-60	509,694	920,306
2061-65	622,335	807,665
2066-70	759,869	670,131
2071-75	927,797	502,203
2076-80	1,132,837	297,163
2081-84	891,123	62,210
Total future payments	$ 10,869,714	10,695,308

(1) Due to the netting of the lessee and lessor portions of the Theater Land Lease-Leaseback, the lease receivable and leases payable totals within this footnote do not tie to the Statement of Net Position. The following reconciliation has been prepared in order to illustrate the difference.

Business-type activities:

Lease receivable - government-wide statement of net position	$ -
Theater land leaseback receivable, netted with leases payable on statement of net position	761,564
Total lease receivable per footnote	$ 761,564

Leases payable due within one year - government-wide statement of net position	$ 437,782
Leases payable due in more than one year - government-wide statement of net position	9,670,368
Theater land leaseback receivable, netted in leases payable on statement of net position	761,564
Total leases payable per footnote	$ 10,869,714

L. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Metro has entered into subscription-based information technology arrangements (SBITA) to facilitate cloud computing arrangements and software as a service. Specific SBITAs include computer operating systems, point-of-sale systems, data hosting, and various software such as mapping, event management, asset management, public records, and timekeeping. The related obligations are presented in the amounts equal to the present value of subscription payments payable during the remaining SBITA term. The associated right to use assets are presented in Note E as part of Capital Assets. Contract terms range from 1 to 5 years and interest rates used to calculate the net present value range from 1 to 5 percent.

During the fiscal year, there were no outflows of resources related to variable payments not previously included in the measurement of the SBITA liability. Additionally, there were no associated impairment losses nor any commitments under SBITAS before the commencement of the subscription term.

Future minimum payments under SBITAs and the present value of the net minimum payments are shown below as of June 30, 2025:

Governmental activities:

Fiscal year ending June 30:	Principal	Interest
2026	$ 1,099,872	66,179
2027	401,240	23,735
2028	183,467	7,475
Total future payments	$ 1,684,579	97,389

Business-type activities:

Fiscal year ending June 30:	Principal	Interest
2026	$ 128,445	14,587
2027	132,241	12,219
2028	88,077	7,323
2029	91,666	3,735
Total future payments	$ 440,429	37,864

M. BONDS PAYABLE

Metro issues a variety of long-term debt types to finance capital projects and some capital equipment. The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Metro's tax-exempt debt is in compliance with all Internal Revenue Service arbitrage regulations. The various debt issues are discussed below.

Governmental Activities

1. 2012A and 2018 Series Natural Areas General Obligation Bonds

In prior years, the region's voters granted authority for a total of $227.4 million in general obligation bonds to fund activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat. Metro issued $124,295,000 of 2007 Series Natural Areas General Obligation Bonds and an additional $75,000,000 of 2012A Series bonds. Metro issued $28,105,000 of Series 2018 bonds which was the final issuance of bonds authorized under the 2006 voter-approved measure.

In prior years, Metro issued $57,955,000 of General Obligation Refunding Bonds, Series 2014 to refund all callable outstanding 2007 Series Natural Areas General Obligation Bonds. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

In prior years, Metro issued $26,568,048 of General Obligation Refunding Bonds, Series 2023 to refund all callable outstanding 2012A Series Natural Areas General Obligation Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent until the bonds' optional redemption date of July 27, 2023. The remaining non-callable bonds were paid off in fiscal year 2025.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.96 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

	2012A Series		2018 Series	
Fiscal year ending June 30:	Principal	Interest	Principal	Interest
2026	$ 3,107,000	240,403	2,450,000	122,500
Unamortized premium	298,160		294,380	
Per statement of net position	$ 3,405,160		2,744,380	

2. 2012A and 2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds

In prior years, the region's voters granted authority for a total of $125 million in general obligation bonds to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education. The first and second series of this bond, issued as taxable Build America Bonds (BABs), for $5,000,000 and $15,000,000 were issued and paid off in prior fiscal years. Also in prior years, Metro issued $65,000,000 of 2012A Series bonds and $30,000,000 of 2016 Series bonds. Metro issued $10,000,000 of Series 2018 bonds which was the final issuance of bonds authorized under the 2008 voter-approved measure.

In prior years, Metro issued $14,305,572 of General Obligation Refunding Bonds, Series 2023 to refund all callable outstanding 2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent until the bonds' optional redemption date of July 27, 2023. The remaining non-callable bonds were paid off in fiscal year 2025.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

	2012A Series		2018 Series	
Fiscal year ending June 30:	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 1,673,000	129,448	1,150,000	187,750
2027	-	178,650	1,250,000	130,250
2028	5,955,000	178,650	1,355,000	67,750
	7,628,000	486,748	3,755,000	385,750
Unamortized premium	763,576		438,961	
Per statement of net position	$ 8,391,576		4,193,961	

3. 2019 Series Affordable Housing General Obligation Bonds

On November 6, 2018, the region's voters granted authority for a total of $652.8 million in general obligation bonds to fund affordable housing projects for low-income families, seniors, veterans and people with disabilities in the Metro region which includes Washington, Clackamas, and Multnomah counties. On May 15, 2019, Metro issued $652,800,000 of federally taxable Series 2019 bonds authorized under the 2018 voter-approved measure.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.0 percent to 3.5 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

Fiscal year ending June 30:	**Principal**	**Interest**
2026	$ 23,425,000	18,146,629
2027	25,435,000	17,385,316
2028	27,545,000	16,558,679
2029	29,765,000	15,663,466
2030	32,020,000	14,770,516
2031-35	198,435,000	57,421,428
2036-39	214,400,000	19,328,640
	551,025,000	159,274,674
Unamortized premium	1,826,217	
Per statement of net position	$ 552,851,217	

4. Full Faith and Credit Bonds 2018 Series

On May 24, 2018, Metro issued $13,290,000 of Full Faith and Credit Bonds, Series 2018 to fund renovations, upgrades and repairs to the existing Metro Regional Center (MRC) building. The MRC building projects include exterior and interior replacements and upgrades and Information Services infrastructure.

The bonds are payable from existing Metro revenues which include assessments on departments to pay for their share of the MRC building upgrade costs along with other General Fund revenues. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

Fiscal year ending June 30:	Principal	Interest
2026	$ 1,170,000	477,700
2027	1,230,000	419,200
2028	1,290,000	357,700
2029	1,355,000	293,200
2030	1,420,000	225,450
2031-33	4,650,000	297,100
	11,115,000	2,070,350
Unamortized premium	965,575	
Per statement of net position	$ 12,080,575	

5. Dedicated Tax Revenue Bonds OCC Hotel Project 2017 Series

On August 8, 2017, Metro issued $52,260,000 in Dedicated Tax Revenue Bonds, Oregon Convention Center Hotel project, Series 2017, to fund a contribution to the construction of a 600-room hotel adjacent to the OCC, a project to assist in marketing the OCC for national conventions.

Metro negotiated with a development partner who committed to design and construct the hotel which was finished in 2022. The developer and operator provided approximately $166 million of the estimated $240 million cost. As part of the Development and Financing Agreement, Metro committed to provide a portion of the funding, consisting of the revenue bonds, $4 million contributed by the MERC Proprietary Fund and $10 million received previously from the State of Oregon lottery funds. Metro has transferred these funding sources to the developer.

The bonds are backed by site specific transient lodging tax revenue. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

Fiscal year ending June 30:	Principal	Interest
2026	$ 1,160,000	2,235,750
2027	1,220,000	2,177,750
2028	1,280,000	2,116,750
2029	1,345,000	2,052,750
2030	1,410,000	1,985,500
2031-35	8,190,000	8,795,500
2036-40	10,455,000	6,532,750
2041-45	13,340,000	3,644,750
2046-47	6,315,000	477,500
	44,715,000	30,019,000
Unamortized premium	6,459,714	
Per statement of net position	$ 51,174,714	

6. Pension Obligation Bonds Metro Limited Tax Series 2005

In prior years, Metro, along with certain other Oregon cities, counties and special districts issued Limited Tax Pension Bonds Series 2005 to finance their PERS unfunded actuarial liabilities. The proceeds of Metro's $24,290,000 in bonds were paid to PERS and resulted in a new, lower employer contribution rate.

The bonds are to be repaid through assessments on Metro departments in exchange for the lower pension cost. The individual bonds have interest rates ranging from 4.859 percent to 5.004 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

Fiscal year ending June 30:	Principal	Interest
2026	$ 2,430,000	325,010
2027	2,660,000	203,413
2028	1,405,000	70,306
Per statement of net position	$ 6,495,000	598,729

7. 2020A, 2020B, and 2025 Series Parks and Nature General Obligation Bonds

In prior years, the region's voters granted authority for a total of $475 million in general obligation bonds to fund programs designed to protect natural areas and connect people to nature. In May 2020, Metro issued $200,000,000 of 2020 Series Parks and Nature General Obligation Bonds. On April 8, 2025, Metro issued $125,000,000 of Series 2025 bonds.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 1.2 percent to 6.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

	2020 Series		2025 Series	
Fiscal year ending June 30:	Principal	Interest	Principal	Interest
2026	$ 3,000,000	3,786,279	17,235,000	6,864,548
2027	3,000,000	3,741,279	20,530,000	5,121,875
2028	3,000,000	3,691,779	18,765,000	4,095,375
2029	3,000,000	3,638,979	1,545,000	3,157,125
2030	3,000,000	3,583,179	1,770,000	3,079,875
2031-35	45,975,000	13,690,043	12,765,000	13,730,125
2036-40	64,025,000	5,139,279	20,935,000	9,773,625
2041-45	-	-	31,455,000	4,138,650
	125,000,000	37,270,817	125,000,000	49,961,198
Unamortized premium	7,970,957		6,783,869	
Per statement of net position	$132,970,957		131,783,869	

8. 2025 Series Zoo General Obligation Bonds

In April 2025, Metro issued $75,000,000 of 2025 Series Zoo General Obligation Bonds. The bonds were issued by Metro under authority granted by voters for a total of $380 million in general obligation bonds to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 4.0 percent to 6.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

Fiscal year ending June 30:	Principal	Interest
2026	$ 10,340,000	4,118,442
2027	12,315,000	3,072,925
2028	11,255,000	2,457,175
2029	930,000	1,894,425
2030	1,055,000	1,847,925
2031-35	7,650,000	8,241,625
2036-40	12,560,000	5,869,125
2041-45	18,895,000	2,485,612
	75,000,000	29,987,254
Unamortized premium	4,067,787	
Per statement of net position	$ 79,067,787	

N. CHANGES IN LONG-TERM LIABILITIES

The following changes occurred during fiscal year 2025 in long-term liabilities:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 752,250,443	200,000,000	(59,285,443)	892,965,000	62,380,000
Full faith and credit bonds	12,230,000	-	(1,115,000)	11,115,000	1,170,000
Dedicated tax revenue bonds	45,820,000	-	(1,105,000)	44,715,000	1,160,000
Pension obligation bonds	8,705,000	-	(2,210,000)	6,495,000	2,430,000
Less unamortized amounts:					
For premium or discount	20,682,317	10,977,275	(1,790,396)	29,869,196	-
Total bonds payable	839,687,760	210,977,275	(65,505,839)	985,159,196	67,140,000
Leases payable	260,861	-	(243,131)	17,730	17,730
SBITA payable	2,200,442	680,915	(1,196,778)	1,684,579	1,099,872
Pollution remediation obligation	8,607,624	900	(5,555,124)	3,053,400	327,682
Total OPEB liability	1,349,583	182,958	(132,427)	1,400,114	-
Compensated absences *	5,974,672	601,041	-	6,575,713	5,313,214
Net pension liability	58,152,903	27,304,173	(10,405,111)	75,051,965	-
Governmental activities Long-term liabilities	$ 916,233,845	239,747,262	(83,038,410)	1,072,942,697	73,898,498
Business-type activities:					
Bonds payable:					
Full faith and credit bonds	$ 1,005,000	-	(1,005,000)	-	-
Less unamortized amounts:					
For premium or discount	38,797	-	(38,797)	-	-
Total bonds payable	1,043,797	-	(1,043,797)	-	-
Leases payable	14,811,273	-	(3,941,559)	10,869,714	441,128
SBITA payable	379,251	424,660	(363,482)	440,429	128,445
Post-closure costs payable	1,889,135	146,271	(1,004,146)	1,031,260	1,031,260
Pollution remediation obligation	95,000	35,000	-	130,000	-
Total OPEB liability	1,960,907	139,058	(130,324)	1,969,641	-
Compensated absences *	4,851,519	290,628	-	5,142,147	4,283,103
Net pension liability	54,173,050	23,220,392	(9,423,295)	67,970,147	-
Business-type activities Long-term liabilities	$ 79,203,932	24,256,009	(15,906,603)	87,553,338	5,883,936

* The change in compensated absences above is a net change for the year.

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for it are included as part of the above totals for governmental activities. For governmental activities, compensated absences and net pension liabilities are generally liquidated by the General Fund and net other postemployment benefits are charged to the General Fund.

In 1984, a lease-leaseback agreement was entered into for theater land. In a lease-leaseback transaction, each party is a lessor and a lessee. Since each portion of the transaction is with the same counterparty, a right of offset exists. The lease-leaseback is presented net on the Statement of Net Position in accordance with GASB Statement No. 87, *Leases.* As such, the Changes in Long-Term Liabilities footnote total for business-type activities is $761,564 higher than the face of the financials. The difference consists of the June 30, 2025 balance in lease receivable related to the leaseback, which is netted with leases payable on the Statement of Net Position.

Additional note disclosure of the gross amounts of the lease and leaseback provide essential information about the magnitude of each portion of the transaction. See Note IV.K.

O. POST-CLOSURE COST PAYABLE

The St. Johns Landfill was closed for operations in a prior year. Closure and post-closure care costs were originally recognized while the St. Johns Landfill was still in operation based on the then current estimate of total costs to complete such efforts, regardless of when cash disbursements were to be made. Such costs include methane gas and leachate collection systems, final cover, seeding, roads, drainage, groundwater monitoring wells, liner systems, stormwater management, and operations and maintenance costs. State and federal laws and regulations require Metro to perform certain post-closure maintenance and monitoring functions for thirty years after closure. At June 30, 2025, there was one year remaining until the post-closure care requirement is completed in fiscal year 2026.

The total post-closure cost of the St. Johns Landfill as of June 30, 2025 is estimated to be $51,869,307 under current Federal and state regulations, an increase of $146,271 in the current fiscal year in the estimated total liability. Actual cost may vary due to inflation or deflation, changes in technology, or changes in regulations. During the fiscal year, Metro paid $1,004,147 in closure costs as the closure process continued ($50,838,047 cumulative to date), reducing the remaining estimated liability to $1,031,260 at June 30, 2025.

Metro is required by state and federal laws and regulations to provide financial assurance for the coverage of these overall post-closure care estimated costs. Metro is currently providing this financial assurance through an Alternative Financial Assurance Mechanism which has been approved by the Oregon Department of Environmental Quality (DEQ) and consists of its Solid Waste Fund, a post-closure funding guarantee of future revenues to cover these costs and a Landfill Post-Closure Account. Metro is required to submit annual re-certifications of this mechanism and Metro is currently awaiting DEQ approval for this year's annual recertification.

P. POLLUTION REMEDIATION OBLIGATION

Metro follows the requirements of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* to account for its pollution remediation liabilities. Various Metro properties have pollution remediation obligations where obligating events have occurred and amounts are estimated using the expected cash flows technique.

Governmental Activities

Estimable pollution remediation obligations are present at what is referred to as the Texaco site on McLoughlin Boulevard in Milwaukie, Oregon. DEQ includes this site in the Underground Storage Tank (UST) Cleanup program and the incomplete nature of cleanup activities by the prior owners constitutes an obligating event. Metro

entered into a Prospective Purchaser Agreement (PPA) with DEQ which called for the decommissioning of USTs and remediation of soil contamination exceeding DEQ tolerances. Initial remediation work, including UST removal, has been completed. Some shallow soil contamination remains. A cost estimate was developed for remaining DEQ oversight costs and cleanup of the remaining soil contamination during future site development work, as notified by DEQ in 2006. The estimated pollution remediation obligation for this site is estimated to be $3,400, which includes an increase of $900 from the prior fiscal year in the estimated total liability. This value is reflected in governmental activities on the government-wide statement of net position.

Other Metro properties fall within the Initial Study Area of the Portland Harbor Superfund site adjacent to the Portland Harbor. The area has been under investigation by the Lower Willamette Group (LWG) under a 2001 Environmental Protection Agency (EPA) Administrative Order on Consent. For the entire Portland Harbor Superfund site, the LWG has been conducting a remedial investigation in the Willamette River (in water) since 2001 with oversight from EPA. EPA issued a Record of Decision outlining the Selected Remedy in January 2017, which includes dredging, capping, and enhanced natural recovery, estimated to take 13 years to complete. Costs associated with investigations and studies as they pertain to Metro properties and the allocation of such costs among potentially responsible parties (PRPs) are still being determined. The PRPs have engaged an allocator to develop a method for allocation of costs associated with the remedial investigation and feasibility study. Based upon the uncertainty of the Portland Harbor Superfund site remediation and allocation approach, pollution remediation obligations for the in-water remedy at Willamette Cove are not considered estimable. For the upland portion of the site, Metro's share of the pollution remediation obligation is estimated to be $3,050,000, which includes a decrease of $5,236,056 from the prior fiscal year in the estimated total liability. The gain resulting from the decreased liability is netted with culture and recreation expenses in the statement of activities. The total liability is reflected in governmental activities on the government-wide statement of net position. During the fiscal year, Metro paid $319,068 in remediation costs toward this liability.

Business-type Activities

At the St. Johns Landfill, work associated with pollution remediation for sediment located adjacent to the landfill levees and potentially shallow groundwater includes: completion of a remedial investigation (RI)/feasibility study (FS) and remedial design; remedial action implementation; and remedial action performance monitoring. The work associated with the RI has been completed and the final RI report has been accepted by DEQ. The work associated with the FS component was completed during fiscal year 2013. DEQ signed and issued a Record of Decision on July 9, 2014, which includes DEQ's selected remedial action. Work going forward is based on the Draft Remedial Action Work Plan (RAWP) for implementation of the preferred alternative which calls for activated carbon pellets to be spread across the sediment surface in the risk-based areas. Metro has elected to expand the treatment area to provide greater coverage of the Westside Mud Flat to reduce uncertainty. Metro received DEQ approval and certification of these results during the fiscal year ended June 30, 2022. There is no liability related to this site recorded as of June 30, 2025.

For Metro Central Station, Metro received a request from the EPA and recommendation from DEQ to perform an expanded Preliminary Assessment. Metro then entered into an agreement with DEQ regarding the source control evaluation for the property. Metro contracted with AECOM to update the station's stormwater treatment system to satisfy Tier 2 correction actions related to the DEQ's recommendation. Site improvements have been completed and Metro received approval from the City of Portland during the fiscal year ended June 30, 2023. There is no liability related to this site recorded as of June 30, 2025.

Current information on estimable pollution remediation obligations at Expo, which is adjacent to a designated Superfund site, is limited. Therefore, the cost associated with work beyond the initial preliminary study is not yet estimable. The pollution remediation obligation estimate for the DEQ recommended preliminary assessment, which is recorded in the MERC Fund, is $130,000, which includes a $35,000 increase from the prior fiscal year

in the estimated total liability.

The total pollution remediation obligation on the government-wide statement of net position for governmental activities is $3,053,400 and for business-type activities $130,000. See Note IV.W for more information on the related change in estimate.

Q. FUND BALANCE CLASSIFICATIONS

Fund balance classifications as presented on the governmental funds balance sheet are further detailed below:

	General	Parks and Nature Operating	Affordable Housing	Supportive Housing Services	General Obligation Bond Debt Service	Zoo Bond 24	Parks and Nature Bond	Other Governmental Funds	Total
Fund balances:									
Nonspendable:									
Not in spendable form:									
Prepaid items	$ 463,433	218,791	-	2,396	-	-	-	175,614	860,234
Advances	-	-	71,594,174	170,060,214	-	-	-	36,403	241,690,791
Corpus of permanent fund	-	-	-	-	-	-	-	747,747	747,747
Total nonspendable	463,433	218,791	71,594,174	170,062,610	-	-	-	959,764	243,298,772
Restricted for:									
Construction excise tax for development planning	22,696,335	-	-	-	-	-	-	-	22,696,335
TOD projects	23,882,411	-	-	-	-	-	-	-	23,882,411
Planning IGA	4,391,171	-	-	-	-	-	-	-	4,391,171
Glendoveer capital	1,405,130	-	-	-	-	-	-	-	1,405,130
Parks and Natural Areas	-	6,864,496	-	-	-	-	-	-	6,864,496
Debt service on bonds	3,370,908	-	-	-	6,589,590	-	-	-	9,960,498
Smith & Bybee Wetlands mgmt plan	-	-	-	-	-	-	-	968,302	968,302
Community Enhancement	444,496	-	-	-	-	-	-	914,728	1,359,224
Willamette Falls Legacy project	16,943,440	-	-	-	-	-	-	-	16,943,440
Affordable Housing	-	-	218,050,640	-	-	-	-	-	218,050,640
Supportive Housing Services	-	-	-	86,624,779	-	-	-	-	86,624,779
Capital projects	-	-	-	-	-	77,901,511	231,391,391	-	309,292,902
Total restricted	73,133,891	6,864,496	218,050,640	86,624,779	6,589,590	77,901,511	231,391,391	1,883,030	702,439,328
Committed to:									
TOD projects	9,458,013	-	-	-	-	-	-	-	9,458,013
Total committed	9,458,013	-	-	-	-	-	-	-	9,458,013
Assigned to:									
Appropriated fund balance	3,611,765	-	-	-	-	-	-	-	3,611,765
Encumbered fund balance	2,340,938	-	-	-	-	-	-	-	2,340,938
Parks cemetery	426,209	-	-	-	-	-	-	32,269	458,478
Glendoveer	-	604,308	-	-	-	-	-	-	604,308
Total assigned	6,378,912	604,308	-	-	-	-	-	32,269	7,015,489
Unassigned	42,016,154	-	-	-	-	-	-	-	42,016,154
Total fund balances	$ 131,450,403	7,687,595	289,644,814	256,687,389	6,589,590	77,901,511	231,391,391	2,875,063	1,004,227,756

R. INTERFUND TRANSFERS

Interfund balances at June 30, 2025 were due to the consolidation of internal service fund activities for the government-wide statements of $4,335,843.

Interfund transfers for the fiscal year by fund were:

	Transfers in						
Transfers out	General	Parks and Nature Operating	Affordable Housing	Parks and Nature Bond	Oregon Zoo	MERC	Total
General	$ -	7,404,073	950,000	-	20,550,000	1,475,000	30,379,073
Parks and Nature Operating	784,516	-	-	-	-	-	784,516
Affordable Housing	25,165	-	-	-	-	-	25,165
Supportive Housing Services	112,806	-	-	-	-	-	112,806
Zoo Bond 24	971	-	-	-	-	-	971
Parks and Nature Bond	136,917	-	-	-	-	-	136,917
Cemetery Perpetual Care	27,900	-	-	-	-	-	27,900
Solid Waste	633,932	-	-	-	-	-	633,932
Oregon Zoo	577,204	-	-	-	-	-	577,204
MERC	633,214	-	-	-	-	-	633,214
Risk Management	11,040	-	-	-	-	-	11,040
Total	$ 2,943,665	7,404,073	950,000	-	20,550,000	1,475,000	33,322,738

The transfers detailed above are transfers of resources from one fund to another that are not based upon a cost allocation plan or any expectation of payment for services provided, but rather to provide resources for other uses. These include General Fund support to Parks and Nature Bond for capital project funding, Affordable Housing for administrative support, Parks and Nature Operating for operations and maintenance, and to Oregon Zoo for general allocations and renewal and replacement of capital assets.

S. TAX ABATEMENTS

Metro has not entered into any tax abatement programs. However, Metro is subject to tax abatements granted by the three counties in which Metro operates. Metro's abated property taxes total $15,504,620 for fiscal year 2025. The following two tax abatement programs account for 97 percent of the abated property taxes:

Strategic Investment Program

The Strategic Investment Program (SIP) was adopted by the Oregon legislature in 1993 under ORS 285C.600. The purpose of this program is to attract and keep companies that provide good jobs in Oregon, particularly capital-intensive, high-technology employers. It allows "traded-sector" businesses, such as manufacturing firms, and local governments to negotiate alternative property tax agreements if these businesses are willing to invest at least $100 million at an urban site or at least $25 million at a rural location in Oregon. "Traded sector" is defined in Oregon law as "industries in which member firms sell their goods or services into markets for which national and international competition exists." The project must either receive local approval through a custom agreement with the county/city or be located in a pre-established "Strategic Investment Zone."

SIP allows for tax exemptions on project property for fifteen years. In exchange for receiving a property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor (Washington County).

Oregon Enterprise Zone

The Enterprise Zone program (E-Zone) was adopted by the Oregon legislature under ORS 285C.175. The purpose of this program is to encourage business investment through property tax relief, in specific areas of the state. Relevant areas for Metro include Clackamas, Multnomah, and Washington County. In exchange for locating or expanding into an Enterprise Zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new property, plant and equipment. Subject to local authorization, timely filings and criteria the benefits include:

- Construction-in-Process Enterprise Zone Exemption-For up to two years before qualified property is placed in service, it can be exempt from local taxes, which can cover more property than the regular exemption for commercial facilities under construction.
- Three to five consecutive years of full relief from property taxes on qualified property, after it is in service.
- Depending on the zone, local incentives also may be available.

Metro's property tax abatements under these programs for the fiscal year ended June 30, 2025 were:

Tax Abatement Program	Amount of Taxes Abated
SIP	$ 12,067,000
E-Zone	2,976,531
Subtotal major abatement program	15,043,531
Other immaterial abatement programs	461,089
Total	$ 15,504,620

T. INSURED RISKS

Metro is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Metro has established a Risk Management Fund (an internal service fund) to account for risk management activities, including payment of insurance policy premiums, payment of claims, and to finance its uninsured risks of loss. Under this program, the Risk Management Fund provides risk of loss coverage as follows:

- General liability, bodily injury to or property damage of third parties resulting from the negligence of Metro or its employees and errors and omissions risks: these risks are fully covered by the Risk Management Fund. Metro is protected by ORS Chapter 30, the Oregon Tort Claims Act, which contains statutory claim limits of $855,200 for a single claimant and $1,710,200 per multiple claimants. These statutory limits are indexed and change every year on July 1. Metro participates in a risk pool as a means of purchasing excess liability coverage, which covers claims up to $9 million after $1 million of self-retention.
- Property damage to Metro-owned facilities: this risk is covered with a commercial property insurance policy. The property policy insures $1,415,036,049 of property values with a $500,000,000 limit blanket policy and a $500,000 deductible.
- Workers' compensation, bodily injury or illness to an employee while in the course of employment: this risk is covered through a guaranteed cost program from SAIF Corporation, a commercial carrier, in amounts that meet statutory requirements.

Metro has not experienced settlements in excess of insurance coverage in any of the last three fiscal years. An independent actuary prepared an actuarial valuation and estimate of liabilities for unpaid claims as of June 30, 2025. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Metro also monitors risk activity to ensure that proper reserves are maintained. All operating funds of Metro participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves.

The estimated claims liability of $1,140,000 reported as accrued self-insurance claims in the Risk Management Fund at June 30, 2025 was established in accordance with the requirements of GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for total estimated claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Metro considers the liability

to be current in nature. Liabilities include an amount for claims that have been incurred but not reported. A portion of the loss reserves have been discounted, using an assumed average investment rate of 1.025 percent in preparing the estimates. Metro does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liabilities.

Changes in Risk Management Fund claims liability for the previous and current fiscal year were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2023-24	$ 733,000	133,000	89,000	777,000
2024-25	777,000	428,000	65,000	1,140,000

U. CONTINGENT LIABILITIES

1. Reviews by Grantor Agencies

Grant costs are subject to review by the grantor agencies. Any costs disallowed as the result of the review would be borne by Metro and may require the return of such amount to the grantor agency. Should costs be disallowed on a grant for which Metro acts in a pass-through capacity, Metro should be able to require repayment of amounts disallowed from the subgrantees.

2. Legal Matters

Metro is involved as a defendant in several claims and disputes that are normal to Metro's activities. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon its financial position or operations.

V. SUBSEQUENT EVENTS

In July 2025, the contractual agreement with a third party funding partner for the Willamette Falls Legacy Project expired. As a result, approximately $15 million previously held for the project was returned during fiscal year 2026. This transaction will reduce the restricted net position of governmental activities as reported on the government-wide statement of net position and the restricted fund balance of the General Fund as presented in the governmental funds balance sheet in the subsequent fiscal year by approximately $15 million.

W. CHANGE IN ACCOUNTING ESTIMATE

During the fiscal year ended June 30, 2025, Metro received an updated valuation of its pollution remediation liabilities. This valuation was prepared by a contracted environmental engineering firm and incorporated updated cost projections based on prevailing industry trends and recent soil sampling results. The updated valuation resulted in decreased expected remediation costs for governmental activities and increased expected remediation costs for business-type activities. The updated estimates resulted in the following financial statement impacts:

- Governmental activities: Metro recognized a reduction in expenses of $5,235,156 within the culture and recreation program, accompanied by a corresponding decrease in the pollution remediation liability.
- Business-type activities: Metro recognized an increase in expenses of $35,000 within the MERC program, with a corresponding increase in the pollution remediation liabilities.

Metro applied this change prospectively and did not restate prior period financial statements.

Metro

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

Special Revenue Funds:

Parks and Nature Operating Fund

Affordable Housing Fund

Supportive Housing Services Fund

Postemployment benefits other than pensions Retirement Health Insurance Account

Schedule of Agency's Proportionate Share of the Net OPEB Liability (Asset)

Schedule of Agency's Contributions

Postemployment benefits other than pensions Implicit Rate Subsidy

Schedule of Agency's Changes in Total OPEB Liability and Related Ratios

Oregon Public Employees Retirement System, Pension Plan

Schedule of Agency's Proportionate Share of Net Pension Liability

Schedule of Agency's Contributions

Notes to Required Supplementary Information

METRO
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Government fees	$ 1,000	1,000	6,292	5,292
Culture and recreation fees	-	-	14,172	14,172
Other fees	1,856,263	1,856,263	1,268,247	(588,016)
Internal charges for services	1,813,959	1,813,959	1,241,852	(572,107)
Licenses and permits	590,000	590,000	534,650	(55,350)
Miscellaneous revenue	2,758,899	2,782,899	4,014,095	1,231,196
Operating grants and contributions:				
Grants	17,508,443	17,517,167	15,874,806	(1,642,361)
Local government shared revenue	77,600	77,600	211,326	133,726
Government contributions	3,819,635	3,819,635	3,738,271	(81,364)
General revenues:				
Taxes:				
Property taxes	20,450,000	20,450,000	20,618,414	168,414
Excise taxes	21,933,000	21,933,000	22,580,785	647,785
Construction excise tax	3,848,000	3,848,000	3,427,490	(420,510)
Investment income	1,343,850	1,343,850	3,417,500	2,073,650
Total revenues	76,000,649	76,033,373	76,947,900	914,527
EXPENDITURES				
Council	12,138,086	12,138,086	10,321,281	1,816,805
Capital asset management	7,723,876	7,927,876	6,810,948	1,116,928
Communications	3,149,172	3,149,172	2,950,774	198,398
Diversity, equity and inclusion	3,155,512	3,155,512	2,288,612	866,900
Finance and regulatory services	14,607,513	14,607,513	13,437,647	1,169,866
Housing	150,000	150,000	58,004	91,996
Human resources	7,274,015	7,474,015	7,238,379	235,636
Information services	9,970,230	9,970,230	9,216,034	754,196
Office of the auditor	1,293,729	1,293,729	1,136,325	157,404
Office of Metro attorney	4,275,293	4,275,293	4,183,233	92,060
Planning, development and research	43,501,147	43,839,906	32,662,098	11,177,808
Special appropriations	2,117,735	2,117,735	1,220,988	896,747
Non-departmental:				
Debt service	2,645,599	2,645,599	2,645,598	1
Contingency	28,503,175	25,401,067	-	25,401,067
Total expenditures	140,505,082	138,145,733	94,169,921	43,975,812
Revenues over (under) expenditures	(64,504,433)	(62,112,360)	(17,222,021)	44,890,339
OTHER FINANCING SOURCES (USES)				
Transfers in	52,107,101	52,107,101	51,702,924	(404,177)
Transfers out	(36,851,979)	(39,244,052)	(38,894,052)	350,000
Total other financing sources (uses)	15,255,122	12,863,049	12,808,872	(54,177)

(Continued)

METRO
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Basis of Budgeting), *continued*
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues and other sources over (under) expenditures and other uses	$ (49,249,311)	(49,249,311)	(4,413,149)	44,836,162
Beginning fund balance available for appropriation - July 1, 2024	93,127,467	93,127,467	89,965,683	(3,161,784)
Unappropriated ending fund balance - June 30, 2025	$ 43,878,156	43,878,156	85,552,534	41,674,378
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting:				
General Fund, as presented above			$ (4,413,149)	
General Revenue Bond Fund-General			25,595	
General Asset Management Fund			2,833,742	
Additional (decrease to) revenues required by Governmental GAAP:				
Adjustment to value investments at fair value			2,328,343	
Adjustment to value lessor arrangements at present value			(19,463)	
Accrual of interest receivable on TOD loans			3,650	
Decrease to (additional) expenses required by Governmental GAAP:				
Loss on sale of assets held for resale			(802,427)	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			$ (43,709)	

METRO
Parks and Nature Operating Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Government fees	$ 16,000	16,000	8,275	(7,725)
Culture and recreation fees	4,792,423	4,792,423	5,591,965	799,542
Other fees	1,192,067	1,292,067	1,716,324	424,257
Miscellaneous revenue	100,000	100,000	78,501	(21,499)
Operating grants and contributions:				
Grants	15,200	223,700	379,995	156,295
Local government shared revenue	625,000	625,000	528,460	(96,540)
Government contributions	225,500	225,500	-	(225,500)
General revenues:				
Taxes:				
Property taxes	19,197,221	19,197,221	19,092,485	(104,736)
Investment income	208,500	208,500	354,606	146,106
Total revenues	26,371,911	26,680,411	27,750,611	1,070,200
EXPENDITURES				
Parks and nature	30,521,936	31,697,509	29,495,146	2,202,363
Contingency	5,191,254	4,641,254	-	4,641,254
Total expenditures	35,713,190	36,338,763	29,495,146	6,843,617
Revenues over (under) expenditures	(9,341,279)	(9,658,352)	(1,744,535)	7,913,817
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	58,415	58,415
Transfers in	8,041,341	8,358,414	8,045,584	(312,830)
Transfers out	(6,592,824)	(6,592,824)	(6,567,824)	25,000
Total other financing sources (uses)	1,448,517	1,765,590	1,536,175	(229,415)
Revenues and other sources over (under) expenditures and other uses	(7,892,762)	(7,892,762)	(208,360)	7,684,402
Beginning fund balance available for appropriation - July 1, 2024	7,892,762	7,892,762	7,793,867	(98,895)
Unappropriated ending fund balance - June 30, 2025	$ -	-	7,585,507	7,585,507

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ (208,360)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value lessor arrangements at present value	(1,952)
Adjustment to value investments at fair value	168,871
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	$ (41,441)

METRO
Affordable Housing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
General revenues:				
Investment income	$ 1,655,000	1,655,000	12,862,297	11,207,297
Total revenues	1,655,000	1,655,000	12,862,297	11,207,297
EXPENDITURES				
Housing	262,779,932	262,779,932	115,218,310	147,561,622
Contingency	50,000,000	50,000,000	-	50,000,000
Total expenditures	312,779,932	312,779,932	115,218,310	197,561,622
Revenues over (under) expenditures	(311,124,932)	(311,124,932)	(102,356,013)	208,768,919
OTHER FINANCING SOURCES (USES)				
Transfers in	950,000	950,000	950,000	-
Transfers out	(1,498,959)	(1,498,959)	(1,498,959)	-
Total other financing sources (uses)	(548,959)	(548,959)	(548,959)	-
Revenues and other sources over (under) expenditures and other uses	(311,673,891)	(311,673,891)	(102,904,972)	208,768,919
Beginning fund balance available for appropriation - July 1, 2024	359,955,310	359,955,310	383,168,467	23,213,157
Unappropriated ending fund balance - June 30, 2025	$ 48,281,419	48,281,419	280,263,495	231,982,076

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ (102,904,972)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	592,906
Budget requirements not qualifying as expenses under Governmental GAAP:	
Purchase of assets held for resale	(1,410,000)
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	$ (103,722,066)

METRO
Supportive Housing Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for Services:				
Miscellaneous Revenue	$ -	-	2,130	2,130
General revenues:				
Taxes:				
Business income taxes	187,250,000	187,250,000	121,288,785	(65,961,215)
Personal income taxes	187,250,000	187,250,000	203,675,232	16,425,232
Investment income	880,000	880,000	2,096,457	1,216,457
Total revenues	375,380,000	375,380,000	327,062,604	(48,317,396)
EXPENDITURES				
Supportive housing	466,856,937	466,856,937	443,178,578	23,678,359
Contingency	336,284,780	336,284,780	-	336,284,780
Total expenditures	803,141,717	803,141,717	443,178,578	359,963,139
Revenues over (under) expenditures	(427,761,717)	(427,761,717)	(116,115,974)	311,645,743
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,456,449)	(4,456,449)	(4,456,449)	-
Total other financing sources (uses)	(4,456,449)	(4,456,449)	(4,456,449)	-
Revenues and other sources over (under) expenditures and other uses	(432,218,166)	(432,218,166)	(120,572,423)	311,645,743
Beginning fund balance available for appropriation - July 1, 2024	432,218,166	432,218,166	377,151,193	(55,066,973)
Unappropriated ending fund balance - June 30, 2025	$ -	-	256,578,770	256,578,770

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ (120,572,423)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	602,577
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	$ (119,969,846)

Metro

METRO
Schedule of Agency's Proportionate Share of the Net OPEB Liability (Asset)
Oregon Public Employees' Retirement System, Retirement Health Insurance Account
Last Nine Fiscal Years

	2017	2018	2019
Metro's proportion of the net OPEB liability (asset)	0.6214%	0.6037%	0.6165%
Metro's proportionate share of the net OPEB liability (asset)	$ 168,747	(251,939)	(688,163)
Metro's covered payroll**	$ 60,051,593	62,262,783	66,236,964
Metro's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.3%	-0.4%	-1.0%
Plan fiduciary net position as a percentage of the total OPEB liability	94.2%	108.9%	124.0%

This schedule is presented to illustrate Metro's proportionate share of net OPEB liability over the last 10 years.
However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

**As of measurement date which is one year in arrears.

2020	2021	2022	2023	2024	2025
0.6388%	0.3558%	0.3828%	0.5113%	0.4731%	0.6082%
(1,234,363)	(724,882)	(1,314,537)	(1,816,656)	(1,732,202)	(2,456,755)
69,412,840	70,340,490	60,103,526	70,193,764	82,310,557	99,638,887
-1.8%	-1.0%	-2.2%	-2.6%	-2.1%	-2.5%
144.4%	150.1%	183.9%	194.6%	201.6%	220.6%

METRO
Schedule of Agency's Contributions
Oregon Public Employees' Retirement System, Retirement Health Insurance Account
Last Nine Fiscal Years

	2017	2018	2019
Contractually required contribution	$ 317,059	298,503	316,595
Contributions in relation to the contractually required contribution	317,059	298,503	316,595
Contribution deficiency (excess)	$ -	-	-
Metro's covered payroll	$ 62,262,783	66,236,964	69,412,840
Contribution as a percentage of covered payroll	0.5%	0.5%	0.5%

This schedule is presented to illustrate Metro's OPEB contributions over the last 10 years.
However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

2020	2021	2022	2023	2024	2025
25,405	10,242	12,601	9,322	445	(242)
25,405	10,242	12,601	9,322	445	(242)
-	-	-	-	-	-
70,340,490	60,103,526	70,193,764	82,310,557	99,638,887	113,566,506
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

METRO
Schedule of Agency's Changes in Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
Last Eight Fiscal Years

Total OPEB Liability	2018	2019	2020
Service cost	$ 188,084	176,683	177,807
Interest on total OPEB liability	83,594	102,623	113,004
Changes of assumptions or other inputs	(168,115)	(66,972)	47,547
Economic/demographic gains or losses	-	-	(16,637)
Benefit payments	(162,251)	(155,404)	(164,866)
Net change in total OPEB liability	(58,688)	56,930	156,855
Total OPEB liability, beginning of year	2,825,591	2,766,903	2,823,833
Total OPEB liability, end of year	$ 2,766,903	2,823,833	2,980,688
Metro's covered-employee payroll	N/A	N/A	N/A
Total OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A

This schedule is presented to illustrate Metro's changes in total OPEB liability over the last 10 years.
However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

2021	2022	2023	2024	2025
202,330	246,402	158,498	131,253	219,088
109,231	78,204	51,984	79,814	124,851
200,089	(708,759)	(227,787)	724,983	(64,715)
-	(533,513)	-	308,189	-
(125,359)	(150,368)	(102,095)	(113,294)	(219,959)
386,291	(1,068,034)	(119,400)	1,130,945	59,265
2,980,688	3,366,979	2,298,945	2,179,545	3,310,490
3,366,979	2,298,945	2,179,545	3,310,490	3,369,755
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

METRO
Schedule of Agency's Proportionate Share of Net Pension Liability
Oregon Public Employees' Retirement System, Pension Plan
Last Ten Fiscal Years

	2016	2017	2018
Metro's proportion of the net pension liability	0.5501435%	0.5465773%	0.5920128%
Metro's proportionate share of the net pension liability	$ 31,586,277	82,053,939	79,803,544
Metro's covered payroll**	$ 55,726,726	60,051,593	62,262,783
Metro's proportionate share of the net pension liability as a percentage of its covered payroll	56.7%	136.6%	128.2%
Plan fiduciary net position as a percentage of the total pension liability	91.9%	80.5%	83.1%

**As of measurement date which is one year in arrears.

2019	2020	2021	2022	2023	2024	2025
0.5989718%	0.6323848%	0.6394909%	0.6525487%	0.5339088%	0.5996895%	0.6434541%
90,736,337	109,387,421	139,558,908	78,087,113	81,752,142	112,325,953	143,022,112
66,236,964	69,412,840	70,340,490	60,103,526	70,193,764	82,310,557	99,638,887
137.0%	157.6%	198.4%	129.9%	116.5%	136.5%	143.5%
82.1%	80.2%	75.8%	87.6%	84.5%	81.7%	79.3%

METRO
Schedule of Agency's Contributions
Oregon Public Employees' Retirement System, Pension Plan
Last Ten Fiscal Years

	2016	2017	2018
Contractually required contribution	$ 4,729,515	5,315,109	7,594,605
Contributions in relation to the contractually required contribution	4,729,515	5,315,109	7,594,605
Contribution deficiency (excess)	$ -	-	-
Metro's covered Payroll	$ 60,051,593	62,262,783	66,236,964
Contribution as a percentage of covered payroll	7.9%	8.5%	11.5%

2019	2020	2021	2022	2023	2024	2025
8,097,797	11,296,142	9,591,373	12,296,540	15,167,944	17,355,356	19,828,405
8,097,797	11,296,142	9,591,373	12,296,540	15,167,944	17,355,356	19,828,405
-	-	-	-	-	-	-
69,412,840	70,340,490	60,103,526	70,193,764	82,310,557	99,638,887	113,566,506
11.7%	16.1%	16.0%	17.5%	18.4%	17.4%	17.5%

METRO
Notes to Required Supplementary Information
For the fiscal year ended June 30, 2025

BUDGETARY INFORMATION

1. BUDGETS

A budget is prepared for each fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. This basis differs from GAAP. The Council adopts the original budget for all funds by resolution prior to the beginning of Metro's fiscal year. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The legal level of control for each fund is set by department, with separate designations within the fund for the categories of debt service, interfund transfers and contingency.

The General Revenue Bond Fund is a budgetary fund comprised of two components that are separated and combined with other budgetary funds for reporting under GAAP. The General Asset Management Fund is a budgetary fund that is combined with the General Fund for reporting under GAAP. The Oregon Zoo Asset Management Fund is a budgetary fund that is combined with the Oregon Zoo Operating Fund for reporting under GAAP.

The detail budget document is required to contain more specific, detailed information about the aforementioned expenditure categories. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are charged against ensuing year appropriations. Encumbrances are recorded in Metro's internal accounting records for management reporting and control. Encumbrances are closed at June 30 and re-established in the ensuing fiscal year against appropriations for that year.

Unexpected additional resources and budget revisions may be added to the budget through the use of a supplemental budget or by a resolution passed by the Council amending the budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Council. Original, amended and supplemental budgets may be modified by the use of appropriation transfers between the levels of control, with approval of the Council. Management may amend the budget within the appropriated levels of control without Council approval.

2. RECONCILIATION OF BASIS OF BUDGETING TO GAAP BASIS

Oregon Local Budget Law, as adopted by Metro, requires accounting for certain transactions to be on a basis other than GAAP. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis of Budgeting) for each fund as presented in supplementary information is presented on the basis of budgeting and is adjusted to the GAAP basis for presentation in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The accounting for the reclassification of interfund transfers as operating transactions causes no difference between the excess of revenues and other sources over expenditures and other uses on the basis of budgeting and such amounts on a GAAP basis. Other reconciliations as necessary are presented on the face of the budgetary schedules.

PENSION PLAN INFORMATION

1. CHANGES IN BENEFIT TERMS

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in Moro vs. State of Oregon, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future

System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 pension liability.

2. CHANGES IN ASSUMPTIONS

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) INFORMATION-OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM, RETIREMENT HEALTH INSURANCE ACCOUNT

1. CHANGES IN BENEFIT TERMS

There were no changes of benefit terms between the periods shown in the schedules.

There were no changes in the size or composition of the population covered by the benefit terms.

2. CHANGES IN ASSUMPTIONS

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.20 to 6.90 percent and the inflation rate from 2.5 to 2.4 percent. In addition, the healthy healthcare participation and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) INFORMATION-IMPLICIT RATE SUBSIDY PLAN

1. CHANGES IN BENEFIT TERMS

There were no changes of benefit terms between the periods shown in the schedules.

There were no changes in the size or composition of the population covered by the benefit terms.

2. CHANGES IN ASSUMPTIONS

In the July 1, 2023 actuarial valuation, the OPEB liability discount rate increased from 3.54 percent to 3.65 percent for results as of the June 30, 2023 measurement date. In the July 1, 2023 actuarial valuation, expected claims and premiums were updated to reflect changes in available benefits and premium levels. Expected retiree and dependent costs were updated to reflect current health care cost guidelines. In the July 1, 2023 actuarial valuation, the Health Care Cost Trend was revised to reflect recent economic conditions. In the July 1, 2023 actuarial valuation, the mortality, retirement and withdrawal rates were updated to reflect assumptions used in the Oregon December 31, 2022 actuarial valuation.

3. ASSETS IN TRUST

There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Metro

Other Supplementary Information

Combining Statements

Nonmajor Governmental Funds

Budgetary Comparison Schedules

Other Major Governmental Funds

Nonmajor Governmental Funds

Proprietary Funds

Other Budgetary Funds

Combining Statements

Combining Statement

Nonmajor Governmental Funds

Special Revenue Funds

Smith and Bybee Wetlands Fund

This fund accounts for development and management of the Smith and Bybee Wetlands Natural Resource Management plan, which calls for Smith and Bybee Wetlands to be managed as environmental and recreational resources for the region. The principal source of revenue is investment income.

Community Enhancement Fund

This fund accounts for special fees collected on solid waste disposal. The funds are used for community enhancement projects in the areas around various solid waste disposal facilities and for administration of the enhancement program.

Permanent Fund

Cemetery Perpetual Care Fund

This fund accounts for amounts provided to build a permanent investment of principal from which the earnings will be used to provide long-term maintenance of pioneer cemeteries under Metro's management. The principal resource is investment earnings.

METRO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue			Permanent	
	Smith and Bybee Wetlands	Community Enhancement	Total	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
ASSETS					
Equity in internal cash and investment pool	$ 974,074	1,092,455	2,066,529	775,807	2,842,336
Receivables:					
Other	-	61,401	61,401	-	61,401
Interest	5,195	6,258	11,453	4,209	15,662
Advances	-	36,403	36,403	-	36,403
Prepaid items	-	175,614	175,614	-	175,614
Total assets	979,269	1,372,131	2,351,400	780,016	3,131,416
LIABILITIES					
Accounts payable	10,967	245,386	256,353	-	256,353
Total liabilities	10,967	245,386	256,353	-	256,353
FUND BALANCES					
Nonspendable	-	212,017	212,017	747,747	959,764
Restricted	968,302	914,728	1,883,030	-	1,883,030
Assigned	-	-	-	32,269	32,269
Total fund balances	968,302	1,126,745	2,095,047	780,016	2,875,063
Total liabilities and fund balances	$ 979,269	1,372,131	2,351,400	780,016	3,131,416

METRO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2025

	Special Revenue			Permanent	
	Smith and Bybee Wetlands	Community Enhancement	Total	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
REVENUES					
Investment income	$ 56,442	75,573	132,015	44,057	176,072
Solid waste fees	-	1,324,645	1,324,645	-	1,324,645
Total revenues	56,442	1,400,218	1,456,660	44,057	1,500,717
EXPENDITURES					
Current:					
Culture and recreation	103,447	1,346,349	1,449,796	-	1,449,796
Total expenditures	103,447	1,346,349	1,449,796	-	1,449,796
Revenues over (under) expenditures	(47,005)	53,869	6,864	44,057	50,921
OTHER FINANCING SOURCES					
Transfers out	-	-	-	(27,900)	(27,900)
Total other financing sources	-	-	-	(27,900)	(27,900)
Net change in fund balances	(47,005)	53,869	6,864	16,157	23,021
Fund balances - July 1, 2024	1,015,307	1,072,876	2,088,183	763,859	2,852,042
Fund balances - June 30, 2025	$ 968,302	1,126,745	2,095,047	780,016	2,875,063

Budgetary Comparison Schedules

Oregon Administrative Rules 162-010-0050 through 162-010-0330 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, requires an individual schedule of revenues, expenditures, and changes in fund balances, budget and actual be presented for each fund for which a legally adopted budget is required.

In accordance with GASB Statement No. 34, Metro's General Fund and major special revenue funds, the Affordable Housing Fund, Supportive Housing Services Fund, and Parks and Nature Operating Fund are presented as required supplementary information. Budgetary comparisons for all other funds are displayed in the following pages.

Budgetary Comparison Schedules

Other Major Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Debt Service Fund

General Obligation Bond Debt Service Fund

Capital Projects Funds

Zoo Bond 24 Fund

Parks and Nature Bond Fund

METRO
General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
General revenues:				
Taxes:				
Property taxes	$ 82,948,815	82,948,815	84,257,967	1,309,152
Investment income	200,000	200,000	1,422,766	1,222,766
Total revenues	83,148,815	83,148,815	85,680,733	2,531,918
EXPENDITURES				
Debt service:				
Principal	59,285,444	59,285,444	59,285,443	1
Interest	24,667,425	24,667,425	24,667,424	1
Total expenditures	83,952,869	83,952,869	83,952,867	2
Revenues over (under) expenditures	(804,054)	(804,054)	1,727,866	2,531,916
Beginning fund balance available for appropriation - July 1, 2024	804,054	804,054	4,844,044	4,039,990
Unappropriated ending fund balance - June 30, 2025	$ -	-	6,571,910	6,571,906

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ 1,727,866
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	83,122
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	$ 1,810,988

METRO
Zoo Bond 24 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
General revenues:				
Investment income	$ -	-	681,438	681,438
Total revenues	-	-	681,438	681,438
EXPENDITURES				
Zoo	-	4,117,650	1,824,487	2,293,163
Contingency	-	1,892,888	-	1,892,888
Total expenditures	-	6,010,538	1,824,487	4,186,051
Revenues over (under) expenditures	-	(6,010,538)	(1,143,049)	4,867,489
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	75,000,000	75,000,000	-
Premium on bonds issued	-	-	4,114,876	4,114,876
Total other financing sources (uses)	-	75,000,000	79,114,876	4,114,876
Revenues and other sources over (under) expenditures and other uses	-	68,989,462	77,971,827	8,982,365
Beginning fund balance available for appropriation - July 1, 2024	-	-	-	-
Unappropriated ending fund balance - June 30, 2025	$ -	68,989,462	77,971,827	8,982,365

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ 77,971,827
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	(70,316)
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	$ 77,901,511

METRO
Parks and Nature Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Other fees	$ -	-	46,771	46,771
Miscellaneous revenue	-	-	166,164	166,164
Operating grants and contributions:				
Grants	-	-	2,828	2,828
General revenues:				
Investment income	2,227,539	2,227,539	4,607,782	2,380,243
Total revenues	2,227,539	2,227,539	4,823,545	2,596,006
EXPENDITURES				
Parks and nature	58,321,489	60,521,489	39,109,190	21,412,299
Contingency	8,670,750	8,670,750	-	8,670,750
Total expenditures	66,992,239	69,192,239	39,109,190	30,083,049
Revenues over (under) expenditures	(64,764,700)	(66,964,700)	(34,285,645)	32,679,055
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	125,000,000	125,000,000	-
Premium on bonds issued	-	-	6,862,399	6,862,399
Transfers out	(3,692,640)	(3,692,640)	(3,619,269)	73,371
Total other financing sources (uses)	(3,692,640)	121,307,360	128,243,130	6,935,770
Revenues and other sources over (under) expenditures and other uses	(68,457,340)	54,342,660	93,957,485	39,614,825
Beginning fund balance available for appropriation - July 1, 2024	144,580,611	144,580,611	137,550,386	(7,030,225)
Unappropriated ending fund balance - June 30, 2025	$ 76,123,271	198,923,271	231,507,871	32,584,600

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ 93,957,485
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	3,148,602
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds	$ 97,106,087

Budgetary Comparison Schedules

Nonmajor Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Special Revenue Funds

Smith and Bybee Wetlands Fund
Community Enhancement Fund

Permanent Fund

Cemetery Perpetual Care Fund

METRO
Smith and Bybee Wetlands Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actuals (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
General revenues:				
Investment income	$ 15,024	15,024	37,778	22,754
Total revenues	15,024	15,024	37,778	22,754
EXPENDITURES				
Parks and nature	225,000	225,000	103,447	121,553
Contingency	400,000	400,000	-	400,000
Total expenditures	625,000	625,000	103,447	521,553
Revenues over (under) expenditures	(609,976)	(609,976)	(65,669)	544,307
OTHER FINANCING SOURCES (USES)				
Transfers out	(67,622)	(67,622)	-	67,622
Total other financing sources (uses)	(67,622)	(67,622)	-	67,622
Revenues and other sources over (under) expenditures and other uses	(677,598)	(677,598)	(65,669)	611,929
Beginning fund balance available for appropriation - July 1, 2024	1,001,567	1,001,567	1,031,094	29,527
Unappropriated ending fund balance - June 30, 2025	$ 323,969	323,969	965,425	641,456

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ (65,669)
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	18,664
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds	$ (47,005)

METRO
Community Enhancement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Solid waste fees	$ 1,106,112	1,106,112	1,324,645	218,533
General revenues:				
Investment income	5,446	5,446	49,935	44,489
Total revenues	1,111,558	1,111,558	1,374,580	263,022
EXPENDITURES				
Waste prevention and environmental services	1,517,426	1,517,426	1,296,349	221,077
Contingency	93,226	93,226	-	93,226
Total expenditures	1,610,652	1,610,652	1,296,349	314,303
Revenues over (under) expenditures	(499,094)	(499,094)	78,231	577,325
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Revenues and other sources over (under) expenditures and other uses	(549,094)	(549,094)	28,231	577,325
Beginning fund balance available for appropriation - July 1, 2024	660,069	660,069	1,095,288	435,219
Unappropriated ending fund balance - June 30, 2025	$ 110,975	110,975	1,123,519	1,012,544

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ 28,231
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	25,638
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds	$ 53,869

METRO
Cemetery Perpetual Care Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
General revenues:				
Investment income	$ 11,425	11,425	29,978	18,553
Total revenues	11,425	11,425	29,978	18,553
Revenues over (under) expenditures	11,425	11,425	29,978	18,553
OTHER FINANCING SOURCES (USES)				
Transfers out	(40,000)	(40,000)	(27,900)	12,100
Total other financing sources (uses)	(40,000)	(40,000)	(27,900)	12,100
Revenues and other sources over (under) expenditures and other uses	(28,575)	(28,575)	2,078	30,653
Beginning fund balance available for appropriation - July 1, 2024	755,015	755,015	775,647	20,632
Unappropriated ending fund balance - June 30, 2025	$ 726,440	726,440	777,725	51,285

Reconciliation to Governmental GAAP basis:	
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above	$ 2,078
Additional (decrease to) revenue required by Governmental GAAP:	
Adjustment to value investments at fair value	14,079
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds	$ 16,157

Budgetary Comparison Schedules

Proprietary Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Enterprise Funds

Solid Waste Revenue Fund
Oregon Zoo Operating Fund
MERC Fund

Internal Service Fund

Risk Management Fund

Reconciliation of Enterprise Fund Fund Balances (Basis of Budgeting) to Statement of Net Position Proprietary Funds (GAAP Basis)

METRO
Solid Waste Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Government fees	$ 1,500,000	1,500,000	930,609	(569,391)
Culture and recreation fees	-	-	11,092	11,092
Solid waste fees	124,142,793	124,142,793	120,603,079	(3,539,714)
Other fees	-	-	750	750
Miscellaneous revenue	482,000	482,000	183,881	(298,119)
Operating grants and contributions:				
Grants	392,000	392,000	177,750	(214,250)
General revenues:				
Investment income	774,092	774,092	1,524,658	750,566
Total revenues	127,290,885	127,290,885	123,431,819	(3,859,066)
EXPENDITURES				
Waste prevention and environmental services	115,138,575	118,814,396	103,375,152	15,439,244
Contingency	15,008,837	11,333,016	-	11,333,016
Total expenditures	130,147,412	130,147,412	103,375,152	26,772,260
Revenues over (under) expenditures	(2,856,527)	(2,856,527)	20,056,667	22,913,194
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Transfers out	(20,661,990)	(20,661,990)	(20,612,353)	49,637
Total other financing sources (uses)	(20,611,990)	(20,611,990)	(20,562,353)	49,637
Revenues and other sources over (under) expenditures and other uses	(23,468,517)	(23,468,517)	(505,686)	22,962,831
Beginning fund balance available for appropriation - July 1, 2024	34,884,593	34,884,593	40,003,947	5,119,354
Unappropriated ending fund balance - June 30, 2025	$ 11,416,076	11,416,076	39,498,261	28,082,185

METRO
Oregon Zoo Operating Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Culture and recreation fees	$ 28,603,882	28,603,882	31,762,053	3,158,171
Other fees	6,000	6,000	13,789	7,789
Miscellaneous revenue	30,000	30,000	190,519	160,519
Operating grants and contributions:				
Grants	900,700	900,700	754,079	(146,621)
Contributions and donations	2,929,529	2,929,529	3,830,259	900,730
General revenues:				
Investment income	360,000	360,000	838,887	478,887
Total revenues	32,830,111	32,830,111	37,389,586	4,559,475
EXPENDITURES				
Visitor venues-Oregon Zoo	42,986,905	43,193,068	39,273,888	3,919,180
Contingency	13,627,166	13,421,003	-	13,421,003
Total expenditures	56,614,071	56,614,071	39,273,888	17,340,183
Revenues over (under) expenditures	(23,783,960)	(23,783,960)	(1,884,302)	21,899,658
OTHER FINANCING SOURCES (USES)				
Sale of Capital Asset	-	-	40,490	40,490
Transfers in	20,450,000	20,450,000	20,450,000	-
Transfers out	(21,666,040)	(21,666,040)	(21,666,040)	-
Total other financing sources (uses)	(1,216,040)	(1,216,040)	(1,175,550)	40,490
Revenues and other sources over (under) expenditures and other uses	(25,000,000)	(25,000,000)	(3,059,852)	21,940,148
Beginning fund balance available for appropriation - July 1, 2024	25,000,000	25,000,000	28,173,205	3,173,205
Unappropriated ending fund balance - June 30, 2025	$ -	-	25,113,353	25,113,353

METRO
MERC Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Culture and recreation fees	$ 51,718,035	51,718,035	52,032,153	314,118
Other fees	5,222,981	5,222,981	4,617,649	(605,332)
Miscellaneous revenue	139,000	139,000	112,886	(26,114)
Operating grants and contributions:				
Grants	-	-	170,023	170,023
Local government shared revenue	21,843,530	21,843,530	19,280,624	(2,562,906)
Government contributions	1,125,135	2,125,135	2,175,255	50,120
Contributions and donations	109,580	109,580	-	(109,580)
Capital grants and contributions:				
Capital contributions and donations	1,465,000	1,465,000	1,192,754	(272,246)
General revenues:				
Investment income	751,460	751,460	1,300,486	549,026
Total revenues	82,374,721	83,374,721	80,881,830	(2,492,891)
EXPENDITURES				
MERC	86,129,586	87,094,586	83,002,348	4,092,238
Contingency	14,587,294	15,622,294	-	15,622,294
Total expenditures	100,716,880	102,716,880	83,002,348	19,714,532
Revenues over (under) expenditures	(18,342,159)	(19,342,159)	(2,120,518)	17,221,641
OTHER FINANCING SOURCES (USES)				
Transfers in	825,000	1,825,000	1,475,000	(350,000)
Transfers out	(12,448,414)	(12,448,414)	(12,234,554)	213,860
Total other financing sources (uses)	(11,623,414)	(10,623,414)	(10,759,554)	(136,140)
Revenues and other sources over (under) expenditures and other uses	(29,965,573)	(29,965,573)	(12,880,072)	17,085,501
Beginning fund balance available for appropriation - July 1, 2024	29,965,573	29,965,573	32,357,438	2,391,865
Unappropriated ending fund balance - June 30, 2025	$ -	-	19,477,366	19,477,366

METRO
Risk Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Other fees	$ -	-	120,188	120,188
Miscellaneous revenue	100,000	100,000	90,386	(9,614)
Operating grants and contributions:				
Grants	-	-	770	770
General revenues:				
Investment income	12,000	12,000	43,593	31,593
Total revenues	112,000	112,000	254,937	142,937
EXPENDITURES				
Finance and regulatory services	5,564,501	5,564,501	5,365,554	198,947
Contingency	787,849	787,849	-	787,849
Total expenditures	6,352,350	6,352,350	5,365,554	986,796
Revenues over (under) expenditures	(6,240,350)	(6,240,350)	(5,110,617)	1,129,733
OTHER FINANCING SOURCES (USES)				
Transfers in	4,940,350	4,940,350	4,940,350	-
Total other financing sources (uses)	4,940,350	4,940,350	4,940,350	-
Revenues and other sources over (under) expenditures and other uses	(1,300,000)	(1,300,000)	(170,267)	1,129,733
Beginning fund balance available for appropriation - July 1, 2024	1,300,000	1,300,000	1,904,013	604,013
Unappropriated ending fund balance - June 30, 2025	$ -	-	1,733,746	1,733,746

METRO
Reconciliation of Enterprise Fund
Fund Balances (Basis of Budgeting) to Statement of Net Position- Proprietary Funds (GAAP Basis)
For the fiscal year ended June 30, 2025

	Enterprise Funds				Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management Fund
Unappropriated ending fund balance on the basis of budgeting:					
Solid Waste Revenue Fund	$ 39,498,261	-	-	39,498,261	-
Oregon Zoo Operating Fund	-	25,113,353	-	25,113,353	-
Oregon Zoo Asset Management Fund	-	16,572,822	-	16,572,822	-
MERC Fund	-	-	19,477,366	19,477,366	-
Risk Management Fund	-	-	-	-	1,733,746
Additional Statement of Net Position items:					
Interest receivable	-	28,512	9,282	37,794	-
Public-private partnership receivable-current	-	2,766,598	1,429,769	4,196,367	-
Public-private partnership receivable	-	16,020,316	10,669,898	26,690,214	-
OPEB asset	444,466	388,247	386,913	1,219,626	-
Capital assets, net	44,499,692	154,317,327	135,829,149	334,646,168	33,282
Deferred pension amounts-outflow	10,694,730	9,737,602	10,685,651	31,117,983	-
Deferred OPEB amounts-outflow	314,250	210,926	187,576	712,752	-
Accrued interest payable	(19,525)	(1,041)	(19,602)	(40,168)	-
Leases payable-current	(393,964)	-	(43,818)	(437,782)	-
SBITA payable-current	(90,348)	(16,584)	(21,513)	(128,445)	-
Post-closure costs payable-current	(1,031,260)	-	-	(1,031,260)	-
Compensated absences-current	(1,621,925)	(1,390,724)	(1,270,454)	(4,283,103)	(17,878)
Leases payable	(4,002,992)	-	(5,667,376)	(9,670,368)	-
SBITA payable	(271,514)	(17,617)	(22,853)	(311,984)	-
Total OPEB liability	(877,861)	(580,111)	(511,669)	(1,969,641)	-
Pollution remediation obligation	-	-	(130,000)	(130,000)	-
Compensated absences	(85,520)	(430,619)	(342,905)	(859,044)	(14,584)
Net pension liability	(23,360,203)	(21,269,574)	(23,340,370)	(67,970,147)	-
Deferred pension amounts-inflow	(2,440,773)	(2,222,335)	(2,438,701)	(7,101,809)	-
Deferred PPP amounts-inflow	-	(17,923,206)	(11,513,509)	(29,436,715)	-
Deferred OPEB amounts-inflow	(293,856)	(206,888)	(188,454)	(689,198)	-
Adjustments to Statement of Net Position items:					
Cumulative fair value adjustment to Equity in internal cash and investment pool	113,451	124,200	67,979	305,630	4,857
Recognition of Revenue considered unavailable in the basis of budgeting	184,031	11,400	240,107	435,538	-
Total net position as reported on the Statement of Net Position-Proprietary Funds	$ 61,259,140	181,232,604	133,472,466	375,964,210	1,739,423

Budgetary Comparison Schedules

Other Budgetary Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Revenue Bond Fund

This fund is a budgetary fund comprised of two components that are separated and combined with other budgetary funds for reporting under GAAP.

General Asset Management Fund

This fund is a budgetary fund that is combined with another budgetary fund for reporting under GAAP.

Oregon Zoo Asset Management Fund

This fund is a budgetary fund that is combined with another budgetary fund for reporting under GAAP.

Schedule of Revenues, Expenditures and Changes in Fund Balances

General Revenue Bond Fund

This fund is a budgetary fund comprised of two components that are separated and combined with other budgetary funds for reporting under GAAP.

METRO
General Revenue Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Operating grants and contributions:				
Local government shared revenue	$ 3,396,000	3,396,000	3,391,761	(4,239)
General revenues:				
Investment income	20,217	20,217	29,841	9,624
Total revenues	3,416,217	3,416,217	3,421,602	5,385
EXPENDITURES				
Debt service	6,064,525	6,064,525	6,064,525	-
Total expenditures	6,064,525	6,064,525	6,064,525	-
Revenues over (under) expenditures	(2,648,308)	(2,648,308)	(2,642,923)	5,385
OTHER FINANCING SOURCES (USES)				
Transfers in	2,668,525	2,668,525	2,667,988	(537)
Total other financing sources (uses)	2,668,525	2,668,525	2,667,988	(537)
Revenues and other sources over (under) expenditures and other uses	20,217	20,217	25,065	4,848
Beginning fund balance available for appropriation - July 1, 2024	4,129,416	4,129,416	4,137,774	8,358
Unappropriated ending fund balance - June 30, 2025	$ 4,149,633	4,149,633	4,162,839	13,206

Note: This schedule demonstrates compliance with budget at the legal level of control.

METRO
General Asset Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	$ 67,000	67,000	91,361	24,361
General revenues:				
Investment income	337,700	337,700	1,208,961	871,261
Total revenues	404,700	404,700	1,300,322	895,622
EXPENDITURES				
Asset Management Program	12,292,067	14,343,415	5,024,885	9,318,530
Contingency	8,251,055	8,251,055	-	8,251,055
Total expenditures	20,543,122	22,594,470	5,024,885	17,569,585
Revenues over (under) expenditures	(20,138,422)	(22,189,770)	(3,724,563)	18,465,207
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	29,405	29,405
Transfers in	5,791,000	6,766,000	6,728,900	(37,100)
Transfers out	(400,000)	(400,000)	(200,000)	200,000
Total other financing sources (uses)	5,391,000	6,366,000	6,558,305	192,305
Revenues and other sources over (under) expenditures and other uses	(14,747,422)	(15,823,770)	2,833,742	18,657,512
Beginning fund balance available for appropriation - July 1, 2024	29,309,846	30,386,194	34,621,996	4,235,802
Unappropriated ending fund balance - June 30, 2025	$ 14,562,424	14,562,424	37,455,738	22,893,314

METRO
Oregon Zoo Asset Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
REVENUES				
Program revenues:				
Charges for services:				
Miscellaneous revenue	$ -	-	66,148	66,148
Operating grants and contributions:				
Grants	250,000	250,000	574,138	324,138
Contributions and donations	-	-	49,864	49,864
Capital grants and contributions:				
Capital contributions and donations	400,000	400,000	-	(400,000)
General revenues:				
Investment income	-	-	808,138	808,138
Total revenues	650,000	650,000	1,498,288	848,288
EXPENDITURES				
Visitor venues-Oregon Zoo	22,953,600	23,053,600	9,628,303	13,425,297
Total expenditures	22,953,600	23,053,600	9,628,303	13,425,297
Revenues over (under) expenditures	(22,303,600)	(22,403,600)	(8,130,015)	14,273,585
OTHER FINANCING SOURCES (USES)				
Transfers in	13,000,000	13,100,000	13,100,000	-
Transfers out	(396,400)	(396,400)	(283,347)	113,053
Total other financing sources (uses)	12,603,600	12,703,600	12,816,653	113,053
Revenues and other sources over (under) expenditures and other uses	(9,700,000)	(9,700,000)	4,686,638	14,386,638
Beginning fund balance available for appropriation - July 1, 2024	9,700,000	9,700,000	11,886,184	2,186,184
Unappropriated ending fund balance - June 30, 2025	$ -	-	16,572,822	16,572,822

METRO
General Revenue Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
(Non-GAAP Basis of Budgeting)
For the fiscal year ended June 30, 2025

	General	MERC	Total
REVENUES			
Program revenues:			
Operating grants and contributions:			
Local government shared revenue	$ 3,391,761	-	3,391,761
General revenues:			
Investment income	29,834	7	29,841
Total revenues	3,421,595	7	3,421,602
EXPENDITURES			
Debt service	5,044,450	1,020,075	6,064,525
Total expenditures	5,044,450	1,020,075	6,064,525
Revenues over (under) expenditures	(1,622,855)	(1,020,068)	(2,642,923)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,648,450	1,019,538	2,667,988
Total other financing sources (uses)	1,648,450	1,019,538	2,667,988
Revenues and other sources over (under) expenditures and other uses	25,595	(530)	25,065
Beginning fund balance available for appropriation - July 1, 2024	4,137,244	530	4,137,774
Unappropriated ending fund balance - June 30, 2025	$ 4,162,839	-	4,162,839

Note: This schedule presents the activity of the two components of the fund.

Metro



Statistical Section

Metro

STATISTICAL SECTION

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This section of Metro's annual comprehensive financial report presents detailed data regarding the current and prior fiscal years for assistance in understanding what the information in the financial statements, note disclosures, and required supplementary information says about Metro's overall financial health.

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Additional Information

These schedules present information to meet Metro's continuing disclosure requirements under The Securities and Exchange Commission's Rule 15c2-12 pertaining to governmental debt issuers 177

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

METRO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting), Unaudited

	2016	2017	2018
GOVERNMENTAL ACTIVITIES			
Net investment in capital assets (1)	$ 237,716,303	267,856,359	265,925,123
Restricted	141,591,292	128,141,074	132,860,263
Unrestricted	(151,660,696)	(141,181,696)	(189,495,054)
Total governmental activities net position	$ 227,646,899	254,815,737	209,290,332
BUSINESS-TYPE ACTIVITIES			
Net investment in capital assets	$ 311,325,512	310,527,670	311,737,639
Restricted	19,991,871	24,326,517	24,100,994
Unrestricted	53,779,562	55,130,008	60,498,533
Total business-type activities net position	$ 385,096,945	389,984,195	396,337,166
PRIMARY GOVERNMENT			
Net investment in capital assets (1)	$ 501,174,344	533,080,026	532,358,759
Restricted	161,583,163	152,467,591	156,961,257
Unrestricted	(50,013,663)	(40,747,685)	(83,692,518)
Total primary government net position	$ 612,743,844	644,799,932	605,627,498

(1) These balances include the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds. The amount of long-term debt outstanding on these bonds is reflected as a liability of the governmental activities in which repayment of the bonds occurs, whereas the associated capital assets financed by this debt are reflected with the business-type activities. The primary government totals have been adjusted to match the debt against the assets. These balances increase over time as a result of increases in capital assets, decreases in related long-term debt outstanding, and reductions in the amount of related unspent bond proceeds.

2019	2020	2021	2022	2023	2024	2025
281,246,439	294,848,252	324,068,485	331,538,185	344,469,479	370,582,164	392,059,202
122,522,041	138,330,011	122,154,281	334,925,580	502,757,659	520,292,702	575,845,091
(151,303,822)	(130,469,211)	(177,771,010)	(258,211,437)	(279,150,905)	(310,784,519)	(557,910,842)
252,464,658	302,709,052	268,451,756	408,252,328	568,076,233	580,090,347	409,993,451
321,159,565	338,396,545	343,691,434	333,384,655	326,037,270	324,080,339	324,097,588
38,698,873	6,410,761	7,506,843	7,480,840	5,523,549	13,327,468	18,327,833
24,855,194	22,788,471	12,197,703	44,764,019	55,296,142	43,836,112	29,202,946
384,713,632	367,595,777	363,395,980	385,629,514	386,856,961	381,243,919	371,628,367
570,027,275	591,873,688	621,205,786	623,668,341	647,808,583	670,933,826	702,384,062
161,220,914	144,740,772	129,661,124	342,406,420	508,281,208	533,620,170	594,172,924
(94,069,899)	(66,309,631)	(119,019,174)	(172,192,919)	(201,156,597)	(243,219,730)	(514,935,168)
637,178,290	670,304,829	631,847,736	793,881,842	954,933,194	961,334,266	781,621,818

METRO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting), Unaudited

	2016	2017	2018
EXPENSES			
Governmental activities:			
General government operations (1)	$ 21,833,274	16,571,054	92,414,695
Planning, development and research (3)	16,311,836	18,252,248	18,694,103
Housing (2)	-	-	-
Culture and recreation	29,221,523	33,156,498	34,237,180
Interest	7,071,050	6,766,723	8,150,951
Total governmental activities expenses	74,437,683	74,746,523	153,496,929
Business-type activities:			
Solid Waste	64,542,514	67,359,647	70,581,702
Oregon Zoo	51,633,613	46,636,849	51,803,762
MERC	69,110,637	69,090,836	74,435,547
Total business-type activities expenses	185,286,764	183,087,332	196,821,011
Total primary government expenses	$ 259,724,447	257,833,855	350,317,940
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government operations	$ 2,132,646	3,133,150	2,764,649
Planning, development and research (3)	789,058	1,485,757	1,172,496
Housing (2)	-	-	-
Culture and recreation	8,851,083	9,616,244	10,483,073
Operating grants and contributions	13,145,776	16,845,537	18,750,842
Capital grants and contributions	261,290	313,816	7,675,000
Total governmental activities program revenues	25,179,853	31,394,504	40,846,060
Business-type activities:			
Charges for services:			
Solid Waste	68,196,150	70,798,890	71,897,428
Oregon Zoo	23,741,859	26,062,207	29,390,534
MERC	50,972,855	47,876,192	51,011,674
Operating grants and contributions	23,414,591	28,801,808	27,284,520
Capital grants and contributions	609,917	1,293,000	1,687,660
Total business-type activities program revenues	166,935,372	174,832,097	181,271,816
Total primary government program revenues	$ 192,115,225	206,226,601	222,117,876

2019	2020	2021	2022	2023	2024	2025
18,419,574	26,670,161	23,947,617	10,172,047	9,665,907	14,755,333	8,577,772
26,623,652	29,178,474	79,863,702	167,988,989	22,085,632	23,225,600	34,190,288
-	-	-	-	258,576,138	404,853,574	567,298,090
31,389,370	33,858,568	36,625,998	43,987,029	39,097,568	49,428,873	59,450,030
11,408,272	29,756,452	32,096,042	29,286,520	27,331,869	25,611,092	26,268,123
87,840,868	119,463,655	172,533,359	251,434,585	356,757,114	517,874,472	695,784,303
76,879,522	84,882,301	95,968,724	91,608,851	105,381,938	111,401,035	122,666,373
47,446,196	50,169,271	37,511,393	37,814,691	50,082,803	55,186,087	56,657,616
106,849,882	84,868,082	29,584,071	55,992,846	74,517,626	90,527,520	96,286,342
231,175,600	219,919,654	163,064,188	185,416,388	229,982,367	257,114,642	275,610,331
319,016,468	339,383,309	335,597,547	436,850,973	586,739,481	774,989,114	971,394,634
4,942,275	3,677,685	4,954,137	744,833	823,350	987,660	989,206
1,562,666	2,287,732	2,012,481	2,640,799	1,940,465	2,021,865	2,259,370
-	-	-	-	14,400	-	2,130
10,922,080	9,998,063	7,598,326	7,314,054	8,052,173	8,275,149	9,038,982
26,137,387	25,671,383	24,471,667	34,802,948	20,033,360	18,213,517	24,127,447
425,138	338,894	693,456	34,755	41,946	-	330,000
43,989,546	41,973,757	39,730,067	45,537,389	30,905,694	29,498,191	36,747,135
74,185,046	72,174,379	77,213,288	96,647,343	105,294,626	114,087,566	121,913,442
29,994,324	23,013,687	17,881,058	23,809,146	24,918,459	28,573,970	32,046,843
56,921,768	37,937,166	4,594,458	35,648,511	51,285,504	58,575,974	56,388,190
30,313,581	27,786,467	23,297,033	38,683,686	31,670,020	28,109,407	27,011,992
1,595,833	788,333	1,506,667	371,155	895,053	276,180	1,395,953
193,010,552	161,700,032	124,492,504	195,159,841	214,063,662	229,623,097	238,756,420
237,000,098	203,673,789	164,222,571	240,697,230	244,969,356	259,121,288	275,503,555

(Continued)

METRO
Changes in Net Position, *continued*
Last Ten Fiscal Years
(accrual basis of accounting), Unaudited

	2016	2017	2018
NET (EXPENSE)/REVENUE			
Governmental activities	$ (49,257,830)	(43,352,019)	(112,650,869)
Business-type activities	(18,351,392)	(8,255,235)	(15,549,195)
Total primary government net expense	$ (67,609,222)	(51,607,254)	(128,200,064)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	$ 55,546,801	59,711,015	64,162,251
Personal and business income taxes	-	-	-
Excise taxes	18,144,766	18,830,032	18,343,257
Construction excise tax	3,338,479	3,561,675	3,792,595
Cemetery revenue surcharge	46,711	47,095	51,479
Unrestricted investment earnings (loss)	1,383,708	857,777	1,711,821
Transfers	(156,056,075)	(12,486,737)	(20,896,055)
Total governmental activities	(77,595,610)	70,520,857	67,165,348
Business-type activities:			
Unrestricted investment earnings (loss)	891,412	655,748	1,182,066
Transfers	156,056,075	12,486,737	20,896,055
Total business-type activities	156,947,487	13,142,485	22,078,121
Total primary government	$ 79,351,877	83,663,342	89,243,469
CHANGE IN NET POSITION			
Governmental activities	$ (126,853,440)	27,168,838	(45,485,521)
Business-type activities	138,596,095	4,887,250	6,528,927
Total primary government	$ 11,742,655	32,056,088	(38,956,594)
Prior period adjustment/cumulative change in accounting principle	$ -	-	(215,840)

(1) The large change in General government operations governmental activities expense between fiscal years 2017 and 2018 is due to the approximately $74 million Convention Center Hotel project bond proceeds which were transferred to the developer of the project in fiscal year 2018.

(2) In fiscal year 2023, Metro began reporting the activities of the Supportive housing services and Affordable housing as a separate program. Prior to this, activities were reported as part of the Planning, development and research program.

(3) In fiscal year 2023, Metro renamed the Regional planning and development program to Planning, development, and research program to more accurately describe the function/program.

2019	2020	2021	2022	2023	2024	2025
(43,851,322)	(77,489,898)	(132,803,292)	(205,897,196)	(325,851,420)	(488,376,281)	(659,037,168)
(38,165,048)	(58,219,622)	(38,571,684)	9,743,453	(15,918,705)	(27,491,545)	(36,853,911)
(82,016,370)	(135,709,520)	(171,374,976)	(196,153,743)	(341,770,125)	(515,867,826)	(695,891,079)
78,203,583	114,176,644	106,525,202	108,386,146	112,919,912	120,787,018	124,245,297
-	-	1,524,473	242,650,036	347,044,362	335,136,020	324,964,017
18,587,682	16,916,905	18,704,633	21,631,175	20,439,427	20,121,244	22,580,785
3,583,092	3,627,232	3,318,783	3,877,675	3,598,048	3,782,940	3,427,490
39,854	45,533	55,300	67,195	60,039	53,353	80,985
9,205,677	30,268,742	2,750,741	(16,119,074)	15,956,736	35,803,286	33,831,374
(22,594,240)	(37,300,764)	(34,333,138)	(14,795,385)	(14,343,199)	(15,293,466)	(20,189,676)
87,025,648	127,734,292	98,545,994	345,697,768	485,675,325	500,390,395	488,940,272
3,947,274	3,801,003	38,749	(2,305,304)	2,802,953	6,585,037	7,048,683
22,594,240	37,300,764	34,333,138	14,795,385	14,343,199	15,293,466	20,189,676
26,541,514	41,101,767	34,371,887	12,490,081	17,146,152	21,878,503	27,238,359
113,567,162	168,836,059	132,917,881	358,187,849	502,821,477	522,268,898	516,178,631
43,174,326	50,244,394	(34,257,298)	139,800,572	159,823,905	12,014,114	(170,096,896)
(11,623,534)	(17,117,855)	(4,199,797)	22,233,534	1,227,447	(5,613,042)	(9,615,552)
31,550,792	33,126,539	(38,457,095)	162,034,106	161,051,352	6,401,072	(179,712,448)
-	-	-	-	-	-	-

METRO
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting), Unaudited

	2016	2017	2018
General Fund			
Nonspendable	$ 1,013,709	798,952	42,693
Restricted	37,683,525	42,309,999	52,899,445
Committed	11,135,969	12,316,557	10,522,814
Assigned	-	-	-
Unassigned	17,162,433	21,133,911	29,180,618
Total General Fund	$ 66,995,636	76,559,419	92,645,570
All other governmental funds			
Nonspendable (2)	$ 528,748	555,580	607,059
Restricted (1)	89,903,244	62,107,158	86,678,277
Committed	-	-	-
Assigned	37,398	60,859	16,612
Unassigned	-	-	-
Total all other governmental funds	$ 90,469,390	62,723,597	87,301,948

(1) Changes in Restricted fund balance of all other governmental funds between 2017 and 2018, and between 2018 and 2019 is due primarily to the issuance of bonds in 2018 and 2019; subsequent year changes are primarily due to the spend down of the proceeds.

(2) Changes in Nonspendable fund balance of all other governmental funds between 2019 and 2020, and between 2021 and 2022 is due primarily to advance payments made within the Affordable housing and Supportive housing programs.

2019	2020	2021	2022	2023	2024	2025
186,438	296,426	228,507	199,946	427,003	362,735	463,433
64,016,351	63,313,745	65,824,929	73,239,624	70,127,790	74,627,421	73,133,891
12,493,221	14,740,429	-	12,167,202	9,900,092	9,743,146	9,458,013
15,529,940	-	306,762	1,437,105	661,541	1,053,324	6,378,912
9,988,598	24,836,760	25,371,310	34,080,876	44,992,123	45,707,486	42,016,154
102,214,548	103,187,360	91,731,508	121,124,753	126,108,549	131,494,112	131,450,403
647,996	15,735,447	15,724,486	223,995,155	388,020,024	349,923,518	242,835,339
725,292,232	910,772,093	867,763,459	708,776,914	612,851,241	569,060,784	629,305,437
-	-	-	-	-	-	-
36,772	64,430	67,401	-	-	684,797	636,577
-	-	-	(10,229)	(11,352)	-	-
725,977,000	926,571,970	883,555,346	932,761,840	1,000,859,913	919,669,099	872,777,353

METRO
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting), Unaudited

	2016	2017	2018
REVENUES			
Property taxes	$ 55,397,507	59,562,937	64,369,020
Excise taxes	18,144,768	18,830,032	18,343,257
Personal and business income taxes	-	-	-
Construction excise tax	3,338,479	3,561,675	3,792,595
Cemetery revenue surcharge	46,711	47,095	51,479
Investment income	1,358,919	846,966	1,688,487
Government fees	76,236	85,353	96,500
Culture and recreation fees	4,592,527	4,612,352	4,821,013
Solid waste fees	985,486	1,033,211	1,053,525
Other fees	1,485,642	1,951,142	1,985,501
Internal charges for services	3,969,961	5,477,184	5,145,553
Licenses and permits	507,560	558,504	593,228
Miscellaneous revenue	177,329	540,483	730,850
Grants	8,569,740	11,733,942	11,595,479
Local government shared revenues	761,253	766,318	3,954,656
Government contributions	3,814,143	4,345,277	3,200,708
Contributions and donations	640	-	-
Capital grants	238,790	107,046	175,000
Capital contributions and donations	22,500	206,770	7,500,000
Total revenues	103,488,191	114,266,287	129,096,851
EXPENDITURES			
Current:			
General government operations	12,583,030	13,885,115	88,524,517
Planning, development and research (2)	13,304,049	16,814,210	17,666,404
Housing (1)	-	-	-
Culture and recreation	24,568,215	28,730,153	30,295,557
Debt service:			
Principal	23,770,000	24,315,000	30,165,000
Interest	9,354,224	10,321,223	11,131,207
Capital outlay	30,098,540	29,097,093	16,635,087
Total expenditures	113,678,058	123,162,794	194,417,772
Excess of revenues over (under) expenditures	(10,189,867)	(8,896,507)	(65,320,921)

2019	2020	2021	2022	2023	2024	2025
79,370,064	114,101,431	106,520,166	108,248,252	113,147,010	120,208,696	123,968,866
18,587,682	16,916,905	18,704,633	21,631,175	20,439,429	20,121,244	22,580,785
-	-	1,524,473	242,650,036	347,044,362	335,136,020	324,964,017
3,583,093	3,627,232	3,318,783	3,877,675	3,598,048	3,782,940	3,427,490
39,854	45,534	55,300	67,195	60,039	53,353	80,985
9,072,979	30,084,653	2,728,902	(16,043,479)	15,874,590	35,750,077	33,757,421
83,043	85,692	71,874	68,273	15,805	18,080	14,567
5,156,720	4,066,569	4,530,790	4,487,130	5,245,485	5,342,610	5,606,937
1,077,086	1,086,468	1,126,754	1,275,830	1,313,889	1,329,478	1,324,645
1,971,267	1,975,668	865,159	1,442,744	1,698,550	2,545,718	2,963,525
7,989,975	7,079,106	6,284,090	1,775,729	1,205,481	1,300,357	1,241,852
577,621	583,115	587,595	583,490	587,155	556,105	534,650
579,426	1,092,948	869,588	958,779	975,168	287,902	397,402
9,130,571	11,539,100	12,167,332	8,192,666	13,757,472	13,981,051	16,257,629
3,863,885	4,185,973	4,263,289	4,257,600	4,279,018	4,221,731	4,131,547
13,142,245	9,917,660	334,919	28,426,493	28,812	3,607,563	3,738,271
-	28,650	-	-	-	-	-
261,638	44,334	268,456	34,755	16,946	-	-
178,510	294,560	-	-	-	3,546	-
154,665,659	206,755,598	164,222,103	411,934,343	529,287,259	548,246,471	544,990,589
15,877,682	20,930,455	12,877,761	6,937,209	11,610,464	13,735,715	8,019,192
25,444,323	27,184,653	75,449,202	170,652,884	24,017,210	25,219,976	33,538,757
-	-	-	-	258,539,755	402,950,115	565,682,329
28,049,868	28,746,257	26,683,691	32,193,318	37,433,410	46,082,239	58,263,666
40,740,000	56,290,000	48,705,000	60,670,000	64,630,000	59,328,477	63,715,443
12,780,341	33,513,011	35,382,628	33,551,564	30,849,801	29,780,279	27,927,472
25,515,599	35,181,744	24,984,317	15,895,908	15,579,259	34,361,598	26,355,585
148,407,813	201,846,120	224,082,599	319,900,883	442,659,899	611,458,399	783,502,444
6,257,846	4,909,478	(59,860,496)	92,033,460	86,627,360	(63,211,928)	(238,511,855)

(Continued)

METRO
Changes in Fund Balances, Governmental Funds, *continued*
Last Ten Fiscal Years
(modified accrual basis of accounting), Unaudited

	2016	2017	2018
OTHER FINANCING SOURCES (USES)			
Bonds issued	$ 30,000,000	-	103,655,000
Refunding bonds issued	-	-	-
Premium on bonds issued	3,479,164	-	14,710,080
Leases (as lessee)	-	-	-
SBITA	-	-	-
Sale of capital assets	348,744	430,096	933,046
Transfers in	5,779,685	6,815,333	2,485,448
Payment to refunded bond escrow agent	-	-	-
Transfers out	(20,145,434)	(16,530,932)	(15,798,151)
Total other financing sources (uses)	19,462,159	(9,285,503)	105,985,423
Net change in fund balances	$ 9,272,292	(18,182,010)	40,664,502
Debt service as a percentage of noncapital expenditures	39.6%	36.8%	23.2%

(1) In fiscal year 2023, Metro began reporting the activities of the Supportive housing services and Affordable housing as a separate program. Prior to this, activities were reported as part of the Planning, development and research program.

(2) In fiscal year 2023, Metro renamed the Regional planning and development program to Planning, development and research program to more accurately describe the function/program.

2019	2020	2021	2022	2023	2024	2025
652,800,000	200,000,000	27,500,000	-	-	-	200,000,000
-	-	-	-	40,873,920	-	-
2,630,335	10,922,405	-	-	-	-	10,977,275
-	-	-	943,561	-	36,152	-
-	-	-	-	1,613,801	2,781,465	680,915
64,909	23,655	9,800	91,807	45,300	13,366	87,820
1,904,259	1,449,821	3,732,520	16,897,853	17,108,692	6,710,381	11,297,738
-	-	-	-	(41,750,751)	-	-
(15,413,317)	(15,737,577)	(25,854,300)	(31,366,942)	(31,436,453)	(22,134,687)	(31,467,348)
641,986,186	196,658,304	5,388,020	(13,433,721)	(13,545,491)	(12,593,323)	191,576,400
648,244,032	201,567,782	(54,472,476)	78,599,739	73,081,869	(75,805,251)	(46,935,455)
43.5%	53.9%	42.2%	31.0%	22.4%	15.4%	12.1%

Metro

METRO
Solid Waste Tonnage by Waste Type and Destination (1)
Last Ten Fiscal Years
Unaudited

	Waste (2)				Organic (3)	ECU (4)	Regional Total
Fiscal Year Ended June 30,	Metro-Owned Facilities	Total Per Ton Rate	Privately-Owned Facilities	Total Per Ton Rate	Metro-Owned Facilities	Privately-Owned Facilities	All Waste Types
2016	509,286	$ 94.98	769,584	$ 29.87	76,970	348,428	1,704,268
2017	523,199	96.25	827,734	30.24	79,533	384,283	1,814,748
2018	532,333	94.95	887,888	28.93	74,525	279,730	1,774,476
2019	549,143	97.45	915,259	30.22	77,630	196,651	1,738,684
2020	495,164	97.45	919,025	30.15	83,610	290,444	1,788,244
2021	544,510	98.35	911,385	31.05	86,246	229,645	1,771,787
2022	576,342	115.15	951,572	39.45	77,598	243,543	1,849,055
2023	557,405	123.45	1,008,970	42.17	71,650	163,642	1,801,667
2024	545,353	137.30	953,895	44.69	76,734	200,182	1,776,164
2025	529,020	153.67	980,588	46.41	74,029	221,484	1,805,121

(1) Waste generated in the Metro region and delivered to solid waste facilities for disposal. The figures represent tons of solid waste from which Metro derives revenue.

(2) "Waste" is mixed solid waste on which Metro levies a Public Goods Charge that generates revenue for the Solid Waste Fund and pays for solid waste programs, and on which an Excise Tax that generates revenue for the General Fund is levied. Waste delivered to Metro's own transfer stations also incurs a user charge that is deposited in the Solid Waste Revenue Fund to pay for station operation, transport, and disposal.

(3) "Organic" is source-separated wood waste, yard debris and compostable food wastes delivered to Metro's own transfer stations. Metro levies a user charge and host fee only on the food waste portion of this group of wastes.

(4) "ECU" or "Environmental Clean-Up" material is soil and cleanup media contaminated by hazardous substances (though not itself a hazardous waste), including petroleum-contaminated soils. Metro levies a reduced-rate Public Goods Charge and Excise Tax only on ECU.

Source: Metro Waste Prevention and Environmental Services Department, solid waste information system.

METRO
Solid Waste Disposal Rates
Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
METRO FACILITIES										
Disposal fee	$ 62.87	63.19	63.20	64.41	64.41	64.41	72.81	78.39	89.72	104.37
Regional system fee	18.39	18.48	18.12	17.81	18.58	18.58	25.65	29.37	31.41	31.72
Excise tax	11.48	11.76	10.81	12.41	11.57	12.47	13.80	12.80	13.28	14.69
Community & enhancement/host fee	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DEQ fees - orphan sites	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
DEQ fees - promotion	1.11	1.69	1.69	1.69	1.76	1.76	1.76	1.76	1.76	1.76
Total rate per ton (1)	$ 94.98	96.25	94.95	97.45	97.45	98.35	115.15	123.45	137.30	153.67
Transaction fee-scalehouse	$ 12.00	10.00	10.00	10.00	10.00	10.00	14.75	18.00	24.00	27.00
Transaction fee-automated	$ 3.00	2.00	2.00	2.00	2.00	2.00	2.75	4.25	6.75	7.25
PRIVATELY-OWNED FACILITIES										
Regional system fee	$ 18.39	18.48	18.12	17.81	18.58	18.58	25.65	29.37	31.41	31.72
Excise tax	11.48	11.76	10.81	12.41	11.57	12.47	13.80	12.80	13.28	14.69
Total rate per ton	$ 29.87	30.24	28.93	30.22	30.15	31.05	39.45	42.17	44.69	46.41

(1) Rates are per ton of mixed waste disposal. For fiscal year 2025, minimum charge is $45.00 for 240 pounds or less. DEQ rates are set by the State of Oregon Department of Environmental Quality.

Source: Metro Waste Prevention and Environmental Services Department.

METRO
Principal Solid Waste Fee Payers
Current Year and Nine Years Ago
Unaudited

	2025			2016		
Customer/Payer	Fees Paid (1)	Rank	Percentage of Total Solid Waste Fee Revenue	Fees Paid (1)	Rank	Percentage of Total Solid Waste Fee Revenue
Waste Management of Oregon	$ 20,210,049	1	16.90%	$ 15,072,435	1	23.84%
Miller's Sanitary Service Inc.	5,026,180	2	4.20	-	-	-
Oregon City Garbage Company	4,857,359	3	4.06	3,035,894	2	4.80
Allied Waste Services of Portland	3,822,272	4	3.20	2,276,654	6	3.60
Heiberg Garbage Service	3,450,146	5	2.88	2,167,147	7	3.43
Portland Disposal & Recycling	2,532,134	6	2.12	2,729,892	4	4.32
Arrow Sanitary Services	2,416,737	7	2.02	2,923,414	3	4.62
Walker Garbage Service Inc.	1,673,424	8	1.40	1,096,680	9	1.73
Sunset Garbage Collection Inc.	1,423,667	9	1.19	892,296	10	1.41
City Sanitary Service	1,379,310	10	1.15	-	-	-
AGG Recology Inc.	-	-	-	2,501,582	5	3.96
Trashco Services Inc.	-	-	-	2,133,689	8	3.38
Total	$ 46,791,278		39.12%	$ 34,829,683		55.09%

(1) Customers pay a per ton rate for solid waste disposal. The per ton rate includes various fee components which change each fiscal year. See Solid Waste Disposal Rates table for rate detail.

Sources: Metro Waste Prevention and Environmental Services Department and Metro Accounting Division.

METRO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

	Governmental Activities					
Fiscal Year Ended June 30,	General Obligation Bonds (2)	Full Faith and Credit Refunding Bonds (2)	Dedicated Tax Revenue Bonds (2)	Pension Obligation Bonds (2)	Leases Payable	SBITA Payable
2016	$ 217,472,440	$ 9,125,000	$ -	$ 20,155,000	$ -	$ -
2017	191,285,127	7,880,000	-	19,225,000	-	-
2018	202,515,140	21,721,580	60,048,719	18,170,000	-	-
2019	816,251,155	20,319,463	58,889,720	16,985,000	-	-
2020	970,079,966	18,902,344	57,700,721	15,660,000	-	-
2021	925,901,419	41,275,229	56,476,722	14,180,000	-	-
2022	878,162,868	27,943,112	55,217,723	12,535,000	723,596	-
2023	821,771,917	14,500,995	53,918,724	10,715,000	478,343	787,812
2024	765,094,158	13,318,877	52,569,725	8,705,000	260,861	2,200,442
2025	915,408,907	12,080,575	51,174,714	6,495,000	17,730	1,684,579

(1) See Demographic and Economic Statistics table for personal income and population data.
(2) Presented net of original issuance discounts and premiums.
Data reflects revisions to previous years and therefore may not match previously published reports.

* Not available

Business-type Activities					
Full Faith and Credit Bonds (2)	Leases Payable	SBITA Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
$ 8,988,560	$ -	$ -	$ 255,741,000	0.21%	$ 143.74
7,895,584	-	-	226,285,711	0.17	124.89
7,017,472	-	-	309,472,911	0.22	168.28
6,099,360	-	-	918,544,698	0.63	494.22
5,141,247	-	-	1,067,484,278	0.68	581.71
4,158,135	-	-	1,041,991,505	0.60	570.15
3,145,022	15,465,305	-	993,192,626	0.56	541.27
2,101,909	14,753,779	618,702	919,647,181	0.49	499.48
1,043,797	13,642,768	379,251	857,214,879	N/A*	463.76
-	10,108,150	440,429	997,410,084	N/A*	537.37

METRO
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds (3)	Pension Obligation Bonds (3)	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Real Market Value (1)	Percentage of Actual Real Market Value of Property	Per Capita (2)
2016	$ 217,472,440	$ 20,155,000	$ 495,726	$ 237,131,714	$ 232,729,794,715	0.10%	$ 133.28
2017	191,285,127	19,225,000	814,903	209,695,224	266,256,751,631	0.08	115.73
2018	202,515,140	18,170,000	847,417	219,837,723	299,124,101,408	0.07	119.54
2019	816,251,155	16,985,000	3,178,629	830,057,526	326,072,241,004	0.25	446.61
2020	970,079,966	15,660,000	3,539,568	982,200,398	336,012,820,952	0.29	535.24
2021	925,901,419	14,180,000	3,933,561	936,147,858	353,506,458,459	0.26	512.23
2022	878,162,868	12,535,000	2,829,578	887,868,290	376,897,140,782	0.24	483.87
2023	821,771,917	10,715,000	3,412,782	829,074,135	423,733,033,399	0.20	450.29
2024	765,094,158	8,705,000	4,778,602	769,020,556	448,178,871,542	0.17	416.05
2025	915,408,907	6,495,000	6,589,590	915,314,317	447,157,959,343	0.20	493.14

Sources:

(1) The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

(2) See Demographic and Economic Statistics table for population data.

(3) Presented net of original issuance discounts and premiums.

Data reflects revisions to previous years and therefore may not match previously published reports.

METRO
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025
Unaudited

Overlapping Government	Net Property Tax Backed Debt	Percent within Metro	Share of Overlapping Debt
City of Beaverton	$ 27,525,000	99.87%	$ 27,488,419
City of Cornelius	1,726,835	95.20	1,643,995
City of Fairview	5,363,175	100.00	5,363,175
City of Gladstone	6,395,937	100.00	6,395,937
City of Gresham	20,717,290	100.00	20,717,290
City of Hillsboro	66,770,000	98.72	65,913,341
City of Lake Oswego	78,360,000	100.00	78,360,000
City of Milwaukie	51,835,287	100.00	51,835,287
City of Oregon City	10,810,000	99.82	10,790,564
City of Portland	369,220,000	100.00	369,217,415
City of Sherwood	59,323,319	99.97	59,304,158
City of Tigard	10,818,145	99.81	10,797,201
City of Troutdale	3,110,000	100.00	3,110,000
City of Tualatin	25,979,954	100.00	25,979,954
City of West Linn	24,420,000	100.00	24,420,000
City of Wilsonville	14,978,600	99.91	14,965,209
City of Wood Village	1,875,000	100.00	1,875,000
Clackamas Community College	232,085,031	72.60	168,488,163
Clackamas County	88,689,500	72.80	64,566,754
Clackamas County ESD	26,816,648	72.99	19,573,579
Clackamas County RFPD 1	19,634,532	85.04	16,696,735
Clackamas County SD 115 (Gladstone)	16,001,933	100.00	16,001,933
Clackamas County SD 12 (North Clackamas)	576,755,981	98.64	568,904,601
Clackamas County SD 3J (West Linn-Wilsonville)	432,502,321	94.81	410,052,423
Clackamas County SD 46 (Oregon Trail)	62,000,487	6.13	3,801,808
Clackamas County SD 62 (Oregon City)	411,515,969	69.88	287,564,479
Clackamas County SD 7J (Lake Oswego)	372,682,000	100.00	372,682,000
Clackamas County SD 86 (Canby)	86,235,000	11.78	10,159,432
Clackamas Soil & Water Conservation	4,643,000	72.80	3,380,146
Columbia County SD 1J (Scappoose)	12,275,000	9.65	1,184,930
Corbett Water District	73,576	22.96	16,897
Lusted Water District	320,000	97.07	310,618
Mt. Hood Community College	65,925,000	84.85	55,937,362
Multnomah County	440,658,398	99.01	436,276,491
Multnomah County RFPD 10	89,857	84.48	75,910
Multnomah County RFPD 14	4,380,000	19.05	834,447
Multnomah County SD 10J (Gresham-Barlow)	255,770,271	96.23	246,130,801
Multnomah County SD 1J (Portland)	1,751,093,000	99.60	1,744,151,667
Multnomah County SD 28J (Centennial)	61,155,932	100.00	61,155,932
Multnomah County SD 3 (Parkrose)	82,022,035	100.00	82,022,035
Multnomah County SD 40 (David Douglas)	175,013,784	100.00	175,013,784
Multnomah County SD 51J (Riverdale)	8,375,326	100.00	8,375,326
Multnomah County SD 7 (Reynolds)	132,852,667	100.00	132,852,667
Multnomah ESD	58,415,817	99.07	57,873,485

(Continued)

METRO
Direct and Overlapping Governmental Activities Debt, *continued*
As of June 30, 2025
Unaudited

Overlapping Government	Net Property Tax Backed Debt	Percent within Metro	Share of Overlapping Debt
Northwest Regional ESD	$ 12,395,000	73.67%	$ 9,131,669
Oak Lodge Water Services District	204,000	100.00	204,000
Pleasant Home Water District	905,000	57.90	524,017
Portland Community College	569,075,000	91.67	521,668,207
Rivergrove Water District 14J	3,098,662	100.00	3,098,662
Tualatin Hills Park & Recreation District	32,063,520	99.91	32,036,202
Tualatin Valley Fire & Rescue District	42,025,000	89.21	37,491,847
Urban Flood Safety & Water Quality District	15,137,066	99.75	15,099,299
Valley View Water District	704,129	100.00	704,129
Washington County	112,639,172	93.50	105,319,203
Washington County SD 15 (Forest Grove)	171,091,925	81.87	140,073,644
Washington County SD 1J (Hillsboro)	428,080,000	86.53	370,427,898
Washington County SD 23J (Tigard-Tualatin)	270,265,000	99.82	269,787,442
Washington County SD 48J (Beaverton)	1,391,124,020	99.89	1,389,643,865
Washington County SD 88J (Sherwood)	267,176,543	82.05	219,227,705
Subtotal, overlapping debt	$ 9,473,195,644		8,836,699,139
Metro direct debt			986,861,505
Total direct and overlapping debt			$ 9,823,560,644

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Metro. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Metro. "Net property tax backed debt" is gross property tax backed debt less self-supporting unlimited-tax general obligation, self-supporting full faith and credit debt, and revenue bonds.

Source: The Municipal Debt Advisory Commission, State of Oregon.

METRO
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit
2016	$ 23,272,979,472	$ 190,565,000	$ 23,082,414,472	0.82 %
2017	26,625,675,163	168,425,000	26,457,250,163	0.63
2018	29,912,410,141	179,415,000	29,732,995,141	0.60
2019	32,607,224,100	794,805,000	31,812,419,100	2.44
2020	33,781,364,510	942,030,000	32,839,334,510	2.79
2021	35,350,645,846	900,740,000	34,449,905,846	2.55
2022	37,689,714,078	855,890,000	36,833,824,078	2.27
2023	42,373,303,340	807,453,920	41,565,849,420	1.91
2024	44,817,887,154	752,250,443	44,065,636,711	1.68
2025	44,715,795,934	892,965,000	43,822,830,934	2.00

Legal Debt Margin Calculation for Fiscal Year 2025

True cash value			$ 447,157,959,343
Debt limit (10% of true cash value)			44,715,795,934
Debt applicable to limit:			
Gross bonded debt principal	$ 955,290,000		
Less legal deductions from debt limit:			
Full Faith and Credit Bonds 2018 Series	(11,115,000)		
Dedicated Tax Revenue OCC Hotel Project Bonds 2017 Series	(44,715,000)		
Metro Limited Tax Pension Obligation Bonds Series 2005	(6,495,000)		
Total net debt applicable to limit			892,965,000
Legal debt margin			$ 43,822,830,934

Note: ORS 268.520 sets a debt limit of 10% of the true cash value of all taxable property within the district.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.

METRO
Revenue Support for Dedicated Tax Revenue Bonds, Series 2017 (OCC Hotel Project)
Last Ten Fiscal Years
Unaudited

	Multnomah County Transient Lodging Tax (TLT) Collections		Visitor Facilities Trust Account (VFTA) TLT Net Revenue			
Fiscal Year Ended June 30,	3% Excise Tax Fund (ETF) TLT(1)	2.5% VFTA TLT(2)	VFTA TLT Net Revenue (3)	City of Portland Bonds VFTA Existing Debt Service (4)	VFTA Payments Available for Series 2017 Bonds (5) (7)	VFTA Payments Transferred to Metro (5)
2016	$ 18,713,326	15,594,438	15,587,195	8,480,753	7,106,442	-
2017	19,193,769	15,999,832	15,999,832	9,574,819	6,425,013	6,425,013
2018	18,978,594	15,800,071	15,800,071	8,777,222	7,022,849	6,963,788
2019	22,251,356	18,515,110	18,515,110	9,030,659	9,484,451	4,942,458
2020	17,283,587	14,381,807	14,381,807	9,306,196	5,075,612	5,842,244
2021	6,996,146	5,824,674	5,824,674	8,571,735	(2,747,061)	3,885,047
2022	13,452,244	12,058,261	12,058,261	7,575,913	4,482,348	4,620,489
2023	16,924,363	16,164,618	16,164,618	7,201,884	8,962,734	4,990,116
2024	16,477,783	16,255,146	16,255,146	7,786,500	8,468,646	5,238,277
2025	16,206,462	15,880,652	15,880,652	7,790,250	8,090,402	5,601,261

(1) A component of 3% ETF TLT transferred by Multnomah County to Metro for OCC operating support, including the payment of debt service of the Series 2017 Bonds, defined as "ETF Payments."

(2) A component of 2.5% VFTA TLT transferred by Multnomah County to Metro for payment of debt service of the Series 2017 Bonds, defined as "VFTA Payments."

(3) Excludes VFTA Vehicle Registration Tax (VRT) Revenue.

(4) Debt service on the City of Portland OCC and Stadium bonds and Full Faith and Credit Loan Agreement (PCPA Refunding, defeased in Fiscal Year 2016).

(5) Pledged for repayment of the Series 2017 Bonds, effective date of issuance fiscal year 2018.

(6) Debt service begins fiscal year 2018.

(7) Negative amounts represent the use of reserves for the VFTA payments.

ETF Payments to Metro (5)	Total Pledged Revenue (VFTA Payments plus ETF Payments) (5)	Pledged Revenue Used to Pay Debt Service (6)	Debt Service Requirements		
			Principal	Interest	Coverage
10,185,853	-	-	-	-	-
10,898,863	17,323,876	-	-	-	-
11,193,132	18,215,981	2,896,215	725,000	2,171,215	6.29
11,634,142	21,118,593	3,396,550	865,000	2,531,550	6.22
12,448,532	17,524,144	3,400,600	895,000	2,505,600	5.15
12,805,464	10,058,403	3,399,800	930,000	2,469,800	2.96
13,015,285	17,497,633	3,397,600	965,000	2,432,600	5.15
13,926,355	22,889,089	3,399,000	1,005,000	2,394,000	6.73
14,901,200	23,369,846	3,398,750	1,055,000	2,343,750	6.88
15,389,609	23,480,011	3,396,000	1,105,000	2,291,000	6.91

METRO
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population (1)	Total Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Portland Metropolitan Unemployment Rate (2)
2016	1,779,245	$ 122,490,579	$ 50,367	5.0%
2017	1,811,860	130,352,553	52,962	4.2
2018	1,839,005	139,580,730	56,285	3.9
2019	1,858,560	146,249,446	58,551	3.9
2020	1,835,065	157,527,834	62,557	10.2
2021	1,827,575	173,993,617	69,099	5.0
2022	1,834,929	178,227,657	71,037	3.7
2023	1,841,192	188,084,378	74,992	3.6
2024	1,848,390	N/A*	N/A*	4.4
2025	1,856,093 (3)	N/A*	N/A*	5.1

* Not available

(1) For Clackamas, Multnomah and Washington counties. Data reflects revisions to previous years and therefore may not match previously published reports.

(2) Portland-Vancouver-Hillsboro OR-WA MSA. Data reflects revisions to previous years and therefore may not match previously published reports.

(3) Preliminary estimate.

Sources:
Population Research Center, Portland State University.
Oregon Employment Department.
U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

METRO
Principal Employers (1)
Current Year and Nine Years Ago
Unaudited

	2025			2016		
Employer	Employees	Rank	Percentage of Total Metropolitan Area Employment	Employees	Rank	Percentage of Total Metropolitan Area Employment
Oregon Health & Science University	20,947	1	1.57%	14,963	5	1.34%
Intel Corporation	20,000	2	1.50	18,600	2	1.67
Providence Health System	19,221	3	1.44	16,139	4	1.45
US Government	18,500	4	1.39	18,000	3	1.61
State Government	13,700	5	1.03	25,700	1	2.30
Kaiser Permanente	13,308	6	1.00	11,898	6	1.07
Amazon	11,000	7	0.83	-	-	-
Nike, Inc.	10,500	8	0.79	8,500	9	0.76
Portland Public Schools	7,195	9	0.54	-	-	-
Beaverton School District	5,685	10	0.43	-	-	-
Fred Meyer Stores	-	-	-	10,813	7	0.97
City of Portland	-	-	-	5,481	10	0.49
Legacy Health System	-	-	-	8,700	8	0.78
Total	140,056		10.52%	138,794		12.44%

(1) Portland-Vancouver-Hillsboro OR-WA MSA

Source: Piper Sandler & Co.

Metro

METRO
Full-Time Equivalent Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FUNCTIONS/PROGRAMS										
Primary Government:										
Governmental activities:										
General government operations	183.20	170.85	175.77	179.66	193.40	177.00	246.40	280.40	304.40	293.40
Planning, development and research	76.30	85.30	84.80	93.06	93.80	90.50	80.10	76.00	81.10	90.15
Housing (8)	-	-	-	-	-	-	-	22.50	41.40	46.35
Culture and recreation (8)	92.10	99.80	103.95	112.06	121.90	135.90	127.20	138.50	139.30	142.70
Total governmental activities	351.60	355.95	364.52	384.78	409.10	403.40	453.70	517.40	566.20	572.60
Business-type activities:										
Solid Waste	107.45	114.16	121.79	139.96	179.76	181.96	192.80	195.25	191.90	202.30
Oregon Zoo	198.65	200.60	207.60	209.25	209.00	186.55	182.85	192.35	192.85	202.60
MERC	186.35	189.95	195.65	200.97	201.70	194.95	197.85	197.10	202.50	203.80
Total business-type activities	492.45	504.71	525.04	550.18	590.46	563.46	573.50	584.70	587.25	608.70
Total primary government	844.05	860.66	889.56	934.96	999.56	966.86	1,027.20	1,102.10	1,153.45	1,181.30
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(9)	(10)

(1) Increase over previous fiscal year is due to conversion of temporary to permanent positions. Increased service demands at the venues and in parks management also led to the addition of staff.

(2) Increase over previous fiscal year is primarily due to an increase in service demand for visitor venues, central services, solid waste operations and parks management.

(3) Increase over previous fiscal year is due to planning staff needed for the Affordable Housing Bond projects, increase in service demand for solid waste operations, and MetroPaint staff converted from contracted to permanent positions.

(4) General governmental operations increased primarily due to Construction Project Management group being moved to the general fund. Culture and recreation increased due to new Parks and Nature Bond passing.

(5) COVID impacted the organization and nearly every department had to make personnel reductions in this fiscal year. The most substantial impact of COVID was on FTE for the visitor venues, Zoo, and MERC.

(6) Increase over previous fiscal year is primarily due to adding back COVID staffing cuts, increases in staffing levels to support housing programs, and transitioning some contracted labor to Metro FTE.

(7) Increase over previous fiscal year is primarily due to adding back COVID Zoo staffing cuts, increases in staffing levels to support housing programs, tribal affairs, community investments and central services. Housing was separated from planning, development and research during the fiscal year resulting in a decrease to planning, development and research FTE.

(8) In fiscal year 2023, Metro began reporting the activities of the Supportive housing services and Affordable housing as a separate program. Prior to this, activities were reported as part of the Planning, development and research program.

(9) Increases in FTE were driven by Housing as there was increased demand for implementation assistance for county Supportive housing services projects as well as central services and MERC which were still rebuilding post-pandemic.

(10) General government operations decreased as communications staff were reallocated to the departments they support. Increases in other areas reflect operational needs in Solid Waste (transfer station and call center), Oregon Zoo facilities, and the formation of a team for the new Zoo Bond 24.

Source: Metro Adopted Budget documents.

METRO
Operating Indicators by Functions/Programs
Last Ten Fiscal Years
Unaudited

FUNCTIONS/PROGRAMS		2016	2017	2018
Primary Government:				
Governmental activities:				
General government operations:				
Business licenses issued		3,079	3,019	3,207
General obligation bond rating:				
Moody's		Aaa	Aaa	Aaa
Standard and Poor's		AAA	AAA	AAA
Planning, development and research:				
Data Resource Center sales of maps and aerials (8)	$	70,467	65,305	77,675
Culture and recreation:				
Visitors to Blue Lake Park, Oxbow Park and Chinook Landing (5)		850,623	847,453	1,027,604
Volunteer visits (9)		3,370	5,508	2,841
Volunteer hours (9)		15,349	15,083	12,080
Acres acquired in Open Spaces and Natural Areas land target areas		180	507	183
Business-type activities:				
Solid Waste:				
Recycling Information Center calls/hits on website (3)		146,708	169,444	184,084
Students reached in elementary and secondary school presentations (6)		45,150	51,519	54,723
Regional recovery rate (1)		47.0%	46.6%	44.7%
Hazardous waste net cost per pound	$	1.04	1.04	1.13
Gallons of recycled paint produced		220,016	203,421	176,489
Latex paint revenue	$	1,286,638	1,149,852	1,064,213
PaintCare revenue (management of post-consumer paint) (4)	$	1,567,449	1,481,844	1,650,050
Oregon Zoo (2):				
Adult admission price	$	14.95	14.95	17.95
Annual attendance		1,494,316	1,549,394	1,704,918
Volunteer hours		98,722	91,911	93,174
Enterprise revenue as percentage of operating revenue		59.5%	62.6%	70.2%
Contributions and donations as percent of total revenue		3.8%	6.2%	6.2%
MERC:				
Annual attendance				
Oregon Convention Center (7)		632,823	624,538	619,068
Portland Expo Center		398,705	385,184	392,760
Portland'5 Centers for the Arts (7)		928,151	946,691	958,064
Number of events/performances				
Oregon Convention Center (7)		74	70	77
Portland Expo Center		121	109	114
Portland'5 Centers for the Arts (7)		964	971	946
Capacity				
Occupancy rate (75% considered maximum)				
Oregon Convention Center (7)		58%	48%	45%

*Not available

(1) Regional recovery rate is calculated by taking total waste generated in the region divided by amount recycled plus DEQ credits up to 6% for waste prevention, reuse, and home composting. 2016 rate reflects DEQ no longer adding the 6% in recovery credits.

(2) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, in governmental activities.

(3) In November 2018, the Recycling Information updated the phone system moving from a Cisco-VOIP system supported by Metro's information services department to a cloud-based hosted service (aka interaction routing strategy) managed by CenturyLink. The data tracking for the year was split between the two systems and tracked similarly with some differences.

(4) PaintCare revenues derived from a project for the management of post-consumer paint.

(5) Car counter was not in place at Blue Lake from January 2015 through June 2015 due to new entry construction.

(6) The Metro Youth Education team adapted to distance learning by continuing to reach youth virtually over the 2020-21 school year.

(7) Oregon Convention Center and Portland'5 had no activity to report for fiscal year 2021 as the venues were shuttered due to COVID.

(8) In fiscal year 2023, Metro made the RLIS subscription offerings free which resulted in a decrease in revenue for maps and aerials.

(9) Volunteer visits and hours are no longer tracked in culture and recreation as the model has shifted away from volunteerism towards nature education as of fiscal year 2023.

Source: Various Metro departments. Data reflects revisions to previous years and therefore may not match previously published reports.

2019	2020	2021	2022	2023	2024	2025
3,122	3,152	3,176	3,154	3,174	3,006	2,890
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
AAA	AAA	AAA	AAA	AAA	AAA	AAA
67,245	64,095	64,215	57,115	10,725	8,695	16,613
993,133	841,942	727,144	537,582	531,676	522,275	862,891
3,459	1,865	234	576	N/A*	N/A*	N/A*
10,576	5,703	887	2,872	N/A*	N/A*	N/A*
246	213	101	240	188	296	699
231,000	224,380	220,535	207,180	180,482	217,082	N/A*
42,998	24,642	11,405	6,533	28,513	20,776	18,977
46.8%	46.5%	44.2%	43.9%	N/A*	N/A*	N/A*
0.99	1.36	1.39	1.96	1.59	2.15	1.97
201,895	161,041	145,035	156,824	238,428	224,885	241,786
1,205,964	941,447	876,610	857,673	904,888	1,118,167	930,442
1,792,651	1,459,255	1,635,153	1,393,020	1,349,037	1,333,629	1,581,213
22.95	17.95	24.00	24.00	24.00	24.00	26.00
1,529,078	977,639	901,315	1,246,800	1,217,068	1,321,154	1,442,520
78,113	64,666	6,665	12,546	16,636	10,874	26,394
68.5%	54.9%	60.7%	72.9%	61.2%	52.2%	52.2%
4.9%	9.3%	17.6%	5.7%	5.9%	8.7%	10.2%
697,923	435,612	-	449,580	300,873	486,903	396,360
471,400	247,815	60,462	347,794	245,848	212,430	341,053
917,425	672,246	-	560,333	712,608	801,510	798,347
70	46	-	43	61	68	55
121	90	83	66	76	109	80
983	648	-	586	713	789	710
51%	47%	0%	41%	49%	52%	51%

METRO
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

	2016	2017	2018
FUNCTIONS/PROGRAMS			
Primary Government:			
Governmental activities:			
General government operations:			
Regional Center facilities	1	1	1
Square footage	110,000	196,960	196,960
Parking spaces - Regional Center garage	162	162	162
Parking spaces - Irving Street garage	485	485	485
Culture and recreation:			
Regional park facilities	8	8	8
Acres (including acres acquired using Natural areas bond proceeds)	2,305	2,305	2,305
Cemeteries	14	14	14
Acres	67	67	67
Golf facilities	1	1	1
Acres	232	232	232
18-hole courses	2	2	2
Marine facilities	3	3	3
Natural areas acquired from Multnomah County	7	7	7
Acres	2,422	2,422	2,422
Open Spaces land target areas	20	20	20
Acres	7,684	7,684	7,684
Natural areas acquired using bond proceeds	27	27	27
Acres	5,090	5,596	5,778
Business-type activities:			
Solid Waste:			
Transfer stations (including hazardous waste facilities)	2	2	2
Latex paint facilities	1	1	1
Closed landfills maintained	1	1	1
RID Deployment Center	-	-	-
Oregon Zoo:			
Acres	65	65	65
Buildings and exhibits	67	68	68
Railways	2	2	2
MERC:			
Convention Centers	1	1	1
Square footage	907,000	907,000	907,000
Parking spaces	716	716	791
Exposition Centers	1	1	1
Square footage	330,000	333,000	333,000
Parking spaces	2,256	2,556	2,556

Note: No capital asset indicators are available for the planning, development and research program.

Source: Various Metro departments. Data reflects revisions to previous years and therefore may not match previously published reports.

2019	2020	2021	2022	2023	2024	2025
1	1	1	1	1	1	1
196,960	196,960	196,960	196,960	196,960	196,960	196,960
162	162	162	162	162	162	162
485	485	485	485	485	485	485
8	8	8	8	8	8	8
2,305	2,305	2,305	2,305	2,305	2,305	2,305
14	14	14	14	14	14	14
67	67	67	67	67	67	67
1	1	1	1	1	1	1
232	232	232	232	232	232	232
2	2	2	2	2	2	2
3	3	3	3	3	3	3
7	7	7	7	7	7	7
2,422	2,422	2,422	2,422	2,422	2,422	2,422
20	20	20	20	24	24	24
7,684	7,684	7,684	7,684	7,684	7,684	7,684
27	27	27	27	27	27	27
6,024	6,237	6,338	6,578	6,766	7,062	7,761
2	2	2	2	2	2	2
1	1	1	1	1	1	1
1	1	1	1	1	1	1
-	-	-	-	-	1	1
65	65	65	65	65	65	65
68	68	68	68	68	68	68
2	2	2	2	2	2	2
1	1	1	1	1	1	1
907,000	907,000	907,000	907,000	907,000	907,000	907,000
791	791	791	791	791	791	791
1	1	1	1	1	1	1
333,000	333,000	333,000	333,000	333,000	333,000	333,000
2,556	2,556	2,556	2,556	2,556	2,556	2,556

METRO
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Total Collections to Date		Total Uncollected Taxes for the Fiscal Year
		Tax Collections	Percentage of Levy		Tax Collections	Percentage of Levy	
2016	$ 56,981,126	$ 54,251,668	95.2%	$ 907,462	$ 55,159,130	96.8%	$ 3,355,651
2017	61,417,731	58,526,399	95.3	846,997	59,373,396	96.7	3,523,722
2018	66,623,193	63,459,709	95.3	839,204	64,298,913	96.5	3,392,641
2019	80,232,825	76,823,359	95.8	1,033,963	77,857,322	97.0	2,184,005
2020	118,129,185	112,972,917	95.6	1,511,547	114,484,464	96.9	2,403,194
2021	109,569,884	105,001,839	95.8	1,207,042	106,208,881	96.9	2,406,117
2022	111,354,054	106,713,185	95.8	1,075,951	107,789,136	96.8	2,418,035
2023	116,417,354	111,481,104	95.8	849,126	112,330,230	96.5	2,486,787
2024	124,162,584	118,303,563	95.3	705,382	119,008,945	95.8	2,947,338
2025	128,231,015	122,486,256	95.5	-	122,486,256	95.5	3,268,020

(1) Property tax levies provide operating revenue for the General Fund and the Parks and Nature Operating Fund and debt service for Metro's general obligation bonds.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties. Data reflects revisions to previous years and therefore may not match previously published reports.

METRO
Taxable Property Values
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Real Market Value (1)	Total Assessed Valuation (AV)	Urban Renewal Excess	AV used to Calculate Rates (2)
		Metro – Total Area		
2016	$ 232,729,794,715	157,332,876,813	7,692,366,115	149,640,510,698
2017	266,256,751,631	164,726,153,314	8,800,597,517	155,925,555,797
2018	299,124,101,408	173,009,992,753	9,598,803,019	163,411,189,734
2019	326,072,241,004	179,748,438,545	10,330,532,400	169,417,906,145
2020	336,012,820,952	187,871,290,559	11,037,634,600	176,833,655,959
2021	353,506,458,459	196,522,905,777	11,731,215,064	184,791,690,713
2022	376,897,140,782	203,819,569,151	10,707,037,199	193,112,531,952
2023	423,733,033,399	213,198,170,547	11,422,397,296	201,775,773,251
2024	448,178,871,542	223,001,150,790	8,139,256,387	214,861,894,403
2025	447,157,959,343	230,699,240,462	7,459,007,813	223,240,232,649
		Portion of Metro Located in Multnomah County		
2016	$ 118,439,572,417	71,365,034,261	6,080,696,726	65,284,337,535
2017	138,109,555,282	74,755,397,687	6,804,941,684	67,950,456,003
2018	157,192,504,703	78,638,078,635	7,438,667,311	71,199,411,324
2019	171,296,770,318	81,401,405,120	7,939,555,685	73,461,849,435
2020	175,102,627,961	84,962,241,690	8,295,865,811	76,666,375,879
2021	182,501,863,490	88,820,136,360	8,672,590,819	80,147,545,541
2022	192,519,602,742	91,514,626,280	7,247,261,158	84,267,365,122
2023	206,962,138,926	95,281,450,380	7,165,195,789	88,116,254,591
2024	208,698,379,333	99,092,190,940	3,707,868,623	95,384,322,317
2025	204,639,562,517	101,529,106,970	2,491,919,996	99,037,186,974
		Portion of Metro Located in Washington County		
2016	$ 72,210,640,850	53,190,401,212	308,315,912	52,882,085,300
2017	80,476,887,028	55,606,866,466	528,351,591	55,078,514,875
2018	89,533,841,337	58,356,654,076	660,442,801	57,696,211,275
2019	97,859,133,163	60,798,329,166	802,404,836	59,995,924,330
2020	102,088,763,082	63,665,739,901	1,020,055,114	62,645,684,787
2021	107,528,977,578	66,677,697,092	1,177,844,163	65,499,852,929
2022	115,239,115,251	69,595,064,434	1,447,495,303	68,147,569,131
2023	136,030,329,810	73,310,084,012	1,966,849,817	71,343,234,195
2024	142,291,665,217	77,380,141,194	2,602,002,178	74,778,139,016
2025	144,101,326,630	80,859,442,238	3,046,003,260	77,813,438,978
		Portion of Metro Located in Clackamas County		
2016	$ 42,079,581,448	32,777,441,340	1,303,353,477	31,474,087,863
2017	47,670,309,321	34,363,889,161	1,467,304,242	32,896,584,919
2018	52,397,755,368	36,015,260,042	1,499,692,907	34,515,567,135
2019	56,916,337,523	37,548,704,259	1,588,571,879	35,960,132,380
2020	58,821,429,909	39,243,308,968	1,721,713,675	37,521,595,293
2021	63,475,617,391	41,025,072,325	1,880,780,082	39,144,292,243
2022	69,138,422,789	42,709,878,437	2,012,280,738	40,697,597,699
2023	80,740,564,663	44,606,636,155	2,290,351,690	42,316,284,465
2024	97,188,826,992	46,528,818,656	1,829,385,586	44,699,433,070
2025	98,417,070,196	48,310,691,254	1,921,084,557	46,389,606,697

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Assessed value of property in Metro on which the Permanent Rate is applied to derive ad valorem property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

METRO
Property Tax Rates by Type of Levy
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Permanent Rate	Local Option Levy Rate	General Obligation Bond Levy Rate (1)	Total Rate
2016	$ 0.0966	0.0960	0.2056	0.3982
2017	0.0966	0.0960	0.2163	0.4089
2018	0.0966	0.0960	0.2802	0.4728
2019	0.0966	0.0960	0.4703	0.6629
2020	0.0966	0.0960	0.3974	0.5900
2021	0.0966	0.0960	0.3774	0.5700
2022	0.0966	0.0960	0.3736	0.5662
2023	0.0966	0.0960	0.3821	0.5747
2024	0.0966	0.0960	0.3807	0.5733
2025	0.0966	0.0960	0.3951	0.5877

(1) General obligation (GO) bond levy rate is a calculation of total GO levy divided by Assessed Value used to calculate rates. Data reflects revisions to previous years and, therefore, may not match previously published reports.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

METRO
Principal Property Tax Taxpayers within the District by County
(amounts expressed in thousands)
June 30, 2025
Unaudited

Taxpayer Account	Type of Business	Assessed Valuation	Percent of Total Valuation
MULTNOMAH COUNTY			
Portland General Electric	Electric utility	$ 833,984	0.84%
Pacificorp	Electric utility	808,643	0.82
Port of Portland	Marine and aviation facilities	806,553	0.81
Boeing Company	Aircraft manufacturing	552,334	0.56
Alaska Airlines Inc	Air Travel	362,298	0.37
Comcast Corporation	Telecommunications	359,910	0.36
Weston Investment Co LLC	Nonresidential construction	359,265	0.36
Fred Meyer Stores Inc	Retailer	243,151	0.25
Northwest Natural Gas	Natural gas utility	221,867	0.22
Kaiser Foundation	Health Care	215,531	0.22
All other taxpayers	-	94,273,650	95.19
	Total	$ 99,037,186	100.00%
WASHINGTON COUNTY			
Intel Corporation	Computer electronics	$ 1,894,826	2.44%
Nike Inc	Athletic apparel	1,545,143	1.99
Portland General Electric Co	Electric utility	1,425,868	1.83
Comcast Corporation	Telecommunications	463,267	0.60
Northwest Natural Gas Co	Natural gas utility	501,532	0.64
Pacific Realty Associates	Real estate	461,565	0.59
Maxim Integrated Products Inc	Semiconductor manufacturing	360,971	0.46
Genentech Inc	Biotechnology	347,907	0.45
LI Cortez LLC	Multifaceted company	306,800	0.39
Verizon Communications Inc	Telecommunications	282,941	0.36
All other taxpayers	-	70,222,618	90.25
	Total	$ 77,813,438	100.00%
CLACKAMAS COUNTY			
Portland General Electric Co	Electric utility	$ 454,307	0.98%
General Growth Properties Inc	Real estate	313,648	0.68
PCC Structurals Inc	Metal castings and machining	307,794	0.66
Fred Meyer Stores Inc	Retailer	242,409	0.52
Northwest Natural Gas Co	Natural gas utility	218,424	0.47
Shorenstein Properties LLC	Real estate	212,583	0.46
B10 Mountain A OR LLC	Financial Servcies	172,672	0.37
Comcast Corporation	Telecommunications	132,777	0.29
Twist Bioscience	Biotechnology company	82,807	0.18
Kaiser Foundation Hospital	Health Care	79,478	0.17
All other taxpayers	-	44,172,707	95.22
	Total	$ 46,389,606	100.00%

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

Metro



Audit Comments and Disclosures

Introduction

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE AND FEDERAL REGULATIONS

Oregon Administrative Rules 162-010-0000 through 162-010-0330 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in the preceding sections of this report.

Metro is the recipient of Federal Grant Awards and requires an audit subject to the requirements of Title 2 U.S. *Code of Federal Regulations* Par 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As a result, Metro's audit is also required to be performed in compliance with Generally Accepted Government Audit Standards.

Comments and disclosures required by the above rules and regulations are set forth on the following pages.

Report of Independent Auditors Required by Oregon State Regulations

The Metro Council and Metro Auditor
Metro

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated December 8, 2025. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Compliance

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Highway funds
- Investments
- Public contracts and purchasing

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In connection with our testing, nothing came to our attention that caused us to believe Metro was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

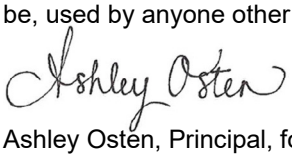
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metro Council, Metro Auditor, and management of Metro and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these parties.



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
December 8, 2025

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Metro Council and Metro Auditor
Metro

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated December 8, 2025. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Portland, Oregon
December 8, 2025

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Metro Council and Metro Auditor
Metro

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Metro's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Metro's major federal programs for the year ended June 30, 2025. Metro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Metro complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Metro and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Metro's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Metro's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Metro's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Metro's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Metro's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Metro's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Portland, Oregon
December 8, 2025

Metro

METRO
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2025

Grantor and Program Title	Federal Assistance Listing Number	Grant/Pass-Through Number	Federal Expenditures
U. S. DEPARTMENT OF COMMERCE			
National Oceanic and Atmospheric Administration-			
Passed through Oregon Watershed Enhancement Board:			
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	222-8207-22468	$ 175,500
Total U. S. Department of Commerce			175,500
U. S. DEPARTMENT OF THE INTERIOR			
Fish and Wildlife Service-			
Direct Programs:			
Endangered Species Recovery Implementation Funds	15.657	F23AP01396-00	574,138
Endangered Species Recovery Implementation Funds	15.657	F22AP00326-02	343,198
Total Endangered Species Recovery Implementation Funds			917,336
Fish and Wildlife Cluster-			
Passed through The Peregrine Fund Inc:			
Wildlife Restoration and Basic Hunter Education and Safety	15.611	3110-115045-2 // ODFW#331-24	265,213
Total Fish and Wildlife Cluster			265,213
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	FY24-E28TW24OZ // F23AP01795-01	70,182
Passed through The Peregrine Fund Inc:			
Multistate Conservation Grant	15.628	240709-01 // F24AP00461	17,307
Passed through Washington Department of Fish and Wildlife:			
State Wildlife Grants	15.634	F23AP03499	10,479
National Park Service-			
Passed through The Peregrine Fund Inc:			
Natural Resource Stewardship Program	15.944	240708-01 // P22AC02054-01	10,874
Total U. S. Department of the Interior			1,291,391
U. S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration-			
Highway Planning and Construction-			
Passed through Oregon Department of Transportation:			
PL Funds - Lead (federal share)	20.205	ODOT- 73000-00034565-01	1,620,841
PL Funds - Safe & Accessible Transportation	20.205	ODOT- 73000-00034565-01	27,500
STBG Funds - In Lieu of Dues	20.205	ODOT- 73000-00034565-01	745,616
STBG Funds - Freight / Econ Value Atlas	20.205	ODOT- 73000-00034565-01	35,758
STBG Funds - Next Corridor	20.205	ODOT- 73000-00034565-01	551,476
STBG Funds - TSMO	20.205	ODOT- 73000-00034565-01	146,528
STBG Funds - Carbon Reduction Program (CRP)	20.205	ODOT- 73000-00034565-01	207,053
STBG Funds - Aerial Photo / LiDAR	20.205	ODOT- 73000-00034565-01	229,959
STBG Funds - Redistribution Funds	20.205	ODOT- 73000-00034565-01	279,071
Section 5303 Funds	20.205	ODOT- 73000-00034565-01	904,861
“State” STBG Funds - Lead (federal share)	20.205	ODOT- 73000-00034565-01	201,893
Transportation Options Service Delivery 2025-2027	20.205	ODOT- 73000-00008348	29,879
Passed through to subrecipients:			
Westside Transportation Alliance Inc			29,311
Transportation Options Service Delivery 2025-2027	20.205	ODOT- 73000-00039680	55,937
Passed through to subrecipients:			
Westside Transportation Alliance Inc			20,477
Total Highway Planning and Construction			5,036,372

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the fiscal year ended June 30, 2025

Grantor and Program Title	Federal Assistance Listing Number	Grant/Pass-Through Number	Federal Expenditures
U. S. DEPARTMENT OF TRANSPORTATION, *continued*			
Federal Transit Administration-			
Federal Transit Cluster-			
Federal Transit Capital Investment Grants-			
Direct Programs:			
SWEDS II	20.500	OR-2021-058	$ 298,852
Passed through to subrecipients:			
Prosper Portland			28,423
The Immigrant & Refugee Community			2,114
HAKI Community Organization			68,257
Unite Oregon			28,720
Federal Transit Formula Grants-			
Direct Programs:			
Surface Transportation Funds-			
Tualatin Valley (TV) Highway Corridor	20.507	OR-2023-003	131,259
Regional Travel Options Program	20.507	OR-2024-059	2,839,398
Passed through to subrecipients:			
Beaverton School District 48			45,144
City of Gresham			9,179
City of Portland			182,744
City of Tigard			40,320
City of Wilsonville			85,735
Clackamas Community College			20,037
Clackamas County			15,337
Community Cycling Center			150,003
Division Midway Alliance			23,331
Forth			102,824
Go Lloyd			57,441
Lloyd EcoDistrict			29,155
Northwest Housing Alternatives			13,800
Oregon Walks			85,164
p:ear			110,004
Portland Community College			34,151
Portland Indigenous Marketplace			18,673
Ride Connection Inc			235,905
The Street Trust Community Fund			98,999
Trash for Peace			10,267
Tri Met			425,036
Washington Park Transportation			74,092
Westside Transportation Alliance Inc			187,979
Safe Routes to Schools (SRTS)	20.507	OR-2024-010	546,364
Passed through to subrecipients:			
City of Hillsboro			56,801
City of Portland			37,536
City of Wilsonville			93,890
Multnomah County			61,070
p:ear			37,298
The Street Trust Community Fund			97,877
82nd Avenue Bus Rapid Transit	20.507	OR-2025-019	1,915,848
Passed through to subrecipients:			
TriMet			1,000,000
Transit Demand Management (TDM)	20.507	OR-2025-033	47,369
Passed through to subrecipients:			
City of Portland			47,369

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the fiscal year ended June 30, 2025

Grantor and Program Title	Federal Assistance Listing Number	Grant/Pass-Through Number	Federal Expenditures
U. S. DEPARTMENT OF TRANSPORTATION, *continued*			
Regional Travel Options / Safe Routes	20.507	OR-2025-026	$ 2,758,349
Passed through to subrecipients:			
Beaverton School District 48			55,089
City of Gresham			5,449
City of Hillsboro			58,645
City of Portland			795,239
City of Tigard			35,701
City of Wilsonville			64,161
Clackamas Community College			49,039
Clackamas County			27,134
Community Cycling Center			83,022
Division Midway Alliance			59,375
Forth			29,729
Go Lloyd			28,480
Lloyd EcoDistrict			8,388
Multnomah County			26,369
Northwest Housing Alternatives			12,030
Oregon Walks			51,945
p:ear			54,879
Portland Community College			35,209
Portland Indigenous Marketplace			17,163
Ride Connection Inc			176,538
The Street Trust Community Fund			49,556
Trash for Peace			4,643
Tri Met			441,740
Washington Park Transportation			20,901
Westside Transportation Alliance Inc			100,305
Total Federal Transit Cluster			8,537,439
Federal Highway Administration-			
Direct Programs:			
Safe Streets and Roads for All (SS4A)	20.939	693JJ32340560	916,968
Passed through to subrecipients:			
City of Tigard			173,966
Multnomah County			225,440
Washington County			210,480
Total U.S. Department of Transportation			14,490,779
U.S. DEPARTMENT OF THE TREASURY			
American Rescue Plan Act-			
Passed through Participatory Budgeting Oregon:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Youth Voice, Youth Vote	94,675
Total U. S. Department of the Treasury			94,675
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Climate Pollution Reduction Grant (CPRG)	66.046	5D-02J36101-0	421,891
Brownfields Assessment and Cleanup Grant Program-			
Brownfield Assessment FY21-23	66.818	BF-01J86401-0	6,940
Brownfield Assessment FY24	66.818	BF-02J87701-0	149,142
Total Brownfields Assessment and Cleanup Grant Program			156,082
Total U. S. Environmental Protection Agency			577,973

(Continued)

METRO
Schedule of Expenditures of Federal Awards, *continued*
For the fiscal year ended June 30, 2025

Grantor and Program Title	Federal Assistance Listing Number	Grant/Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Homeland Security Grant Program			
Passed through City of Portland, Bureau of Emergency Management (PBEM):			
Urban Area Security Initiative	97.067	CoP # 32003380	$ 64,278
Total U. S. Department of Homeland Security			64,278
Total Expenditures of Federal Awards			$ 16,694,596

The accompanying notes are an integral part of this schedule.

METRO
Notes to Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all federal grant activity of Metro, under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of Metro, it is not intended to and does not present the financial position, changes in net position or cash flows of Metro.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in note II.C to Metro's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – ELECTION OF DE MINIMUS INDIRECT RATE

During the year ended June 30, 2025, Metro did not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Metro
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

Federal Assistance Listing Numbers	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Programs*
20.205	Highway Planning and Construction	Unmodified
20.939	Safe Streets and Roads for All	Unmodified

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Metro
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

None noted

Section III – Federal Award Findings and Questioned Costs

None noted

Metro
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

No findings identified in the prior year.

Metro

Report of Independent Auditors

The Metro Council and Metro Auditor
Metro

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated December 8, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 18-4898 with regard to the Affordable Housing General Obligation Bonds, Series 2019. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Metro Council, Metro Auditor, and management of Metro and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

Portland, Oregon
December 8, 2025

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Report of Independent Auditors

The Metro Council and Metro Auditor
Metro

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated December 8, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 19-4988 with regard to the Parks and Nature General Obligation Bonds Series 2020A, Series 2020B, and Series 2025. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Metro Council, Metro Auditor, and management of Metro and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

Portland, Oregon
December 8, 2025

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Report of Independent Auditors

The Metro Council and Metro Auditor
Metro

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated December 8, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit B to Resolution No. 24-5375 with regard to the Oregon Zoo General Obligation Bonds, Series 2025. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Metro Council, Metro Auditor, and management of Metro and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

Portland, Oregon
December 8, 2025

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 25-5541 FOR THE PURPOSE OF METRO COUNCIL'S ACCEPTANCE OF THE RESULTS OF THE INDEPENDENT AUDIT FOR FINANCIAL ACTIVITY DURING FISCAL YEAR ENDING JUNE 30, 2025

Date: 12/4/2025

Prepared by: Brian Evans
Metro Auditor
503-797-1891

BACKGROUND

Oregon Revised Statute provision 297.425 requires an annual independent audit of Metro's financial statements. Metro Code 2.15.080 requires that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits.

The current contract for audit services (No. 939965) was awarded to Moss Adams LLP, (name changed to Baker Tilly US, LLP) through a competitive procurement process in 2025. The contract is effective April 15, 2025, through March 20, 2028.

The Annual Comprehensive Financial Report (ACFR) has been completed by Metro Finance and Regulatory Services. Baker Tilly US, LLP has audited the financial statements and issued an opinion that these statements fairly represent Metro's financial position as of June 30, 2025. The results have been reviewed by the Metro Auditor and Metro Audit Committee members.

The following reports and letters summarize the results of Metro's financial audit for fiscal year 2024-25:

1. Annual Comprehensive Financial Report including the Single Audit of Federal Awards;
2. Reports for the following voter-approved ballot measures:
    a. Metro Natural Areas Bond Measure Expenditures,
    b. Affordable Housing Bond Measure Expenditures, and
    c. Parks and Nature Bond Measure Expenditures;

Audited financial information for other voter-approved ballot measures like the Parks and Natural Areas Operating Levy and Supportive Housing Services tax can be found in the ACFR.

ANALYSIS/INFORMATION

1. **Known Opposition** None

2. **Legal Antecedents**
   Oregon Revised Statute provision 297.425 requires an annual independent audit of Metro's financial statements. Metro contract No. 939965 with Baker Tilly US, LLP for audit services will expire on March 20, 2028.

Metro Code Chapter 2.15 specifies at Section 2.15.080 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. The Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

3. **Budget Impacts** None known at this time.

RECOMMENDED ACTION

The Metro Auditor recommends approval of Resolution No. 25-5541.

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

Metro

Agenda #: 5.2

File #: RES 25-5525 **Agenda Date:**12/18/2025

Resolution No. 25-5525 For the Purpose of Renewing City of Roses Disposal & Recycling, Inc's Solid Waste Facility Franchise to Operate a Transfer Station

Hila Ritter (she/her) Standards and Compliance Manager, WPES
Lisa Clark (she/her) Senior Solid Waste Planner, WPES

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF RENEWING CITY OF ROSES DISPOSAL & RECYCLING, INC'S SOLID WASTE FACILITY FRANCHISE TO OPERATE A TRANSFER STATION	)))))	RESOLUTION NO. 25-5525 Introduced by Chief Operating Officer Marissa Madrigal in concurrence with Council President Lynn Peterson

WHEREAS, Metro Code Section 5.01.150 states that a Metro Solid Waste Facility Franchise is required for any person owning or controlling a facility that operates a transfer station; and

WHEREAS, City of Roses Disposal & Recycling, Inc. holds Metro Solid Waste Facility Franchise Number F-057-19J to operate a transfer station, which expires on December 31, 2025.

WHEREAS, City of Roses Disposal & Recycling, Inc. filed a complete application in August 2025 seeking a renewed Metro Solid Waste Facility Franchise pursuant to Metro Code Section 5.01.210(a); and

WHEREAS, City of Roses Disposal & Recycling, Inc. does not propose to alter any activities that already occur at its transfer station site; and

WHEREAS, by January 1 of each year Metro may allocate putrescible waste tonnage to a private transfer station that is franchised under Metro Code Chapter 5.01 in accordance with the allocation framework provided in Metro Code and methodology provided in the applicable administrative rules; and

WHEREAS, Metro Council adopted the Regional Systems Facility Plan in March 2025 (Resolution No. 25-5459), which may require future amendments to the Metro Solid Waste Facility Franchise to implement the Plan; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under Metro Code Section 5.01.180 regarding issuing a franchise; and

WHEREAS, Metro Code Section 5.01.180(e)(4) states the Chief Operator Officer will recommend to Metro Council whether the applicant has complied or can comply with all other applicable regulatory requirements; and

WHEREAS, in September 2025, Metro received a complaint that the applicant was improperly disposing of source-separated recyclable materials and failing to accurately file reports with Metro, and

WHEREAS, an investigation substantiated the allegations raised in the complaint, but more time is necessary for the Chief Operating Officer to perform additional investigation of issues related to those raised in the complaint; and

WHEREAS, notwithstanding the above-referenced violations, the Chief Operating Officer recommends that Metro Council approve the renewal application with the conditions that (1) the franchise include additional reporting and operating requirements, and (2) that Metro issue the franchise for an initial one-year term with Council consideration of an extension for an additional four years based on the results of Metro's pending compliance evaluation and the applicant's compliance with the franchise's additional reporting and operational requirements; and

WHEREAS, the Chief Operating Officer recommends that Metro issue renewed Franchise No. F-057-26 to City of Roses Disposal & Recycling, Inc as provided in Exhibit A to the Resolution; and

WHEREAS, the Metro Council finds that the proposed Metro Solid Waste Facility Franchise renewal meets the criteria set forth in Metro Code Section 5.01.180; now therefore,

BE IT RESOLVED that the Metro Council:

1. Incorporates the Chief Operating Officer's analysis as set forth in Exhibit B to this Resolution regarding the relevant factors required for a franchise.
2. Approves the Metro Solid Waste Facility Franchise application for City of Roses Disposal & Recycling, Inc to operate a transfer station subject to the terms, conditions, and limitations in Exhibit A.
3. Authorizes the Chief Operating Officer to issue City of Roses Disposal & Recycling, Inc. a renewed Metro Solid Waste Facility Franchise for a one-year term, substantially similar to the one attached as Exhibit A.
4. Directs the Chief Operating Officer, upon conclusion of the pending compliance investigation to:
    a. Report the results of the investigation to Metro Council;
    b. Report whether City of Roses Disposal & Recycling, Inc. complied with the additional reporting and operational requirements in the franchise; and
    c. Recommend whether to extend the franchise term or if the results of the investigation warrant franchise suspension, modification, or revocation pursuant to Metro Code Chapter 5.01.

ADOPTED by the Metro Council this 18th day of December 2025.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

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

METRO SOLID WASTE FACILITY FRANCHISE

No. F-057-26

FRANCHISEE:	**FACILITY NAME AND LOCATION:**
City of Roses Disposal & Recycling, Inc. P.O. Box 301427 Portland, OR 97294 Phone: 503-285-9940	COR Transfer Station 4530 NE 138TH Avenue Portland, OR 97230 Phone: 503-285-9940
OPERATOR:	**PROPERTY OWNER:**
COR Recycling 4530 NE 138TH Avenue Portland, OR 97230 Phone: 503-285-9940	NE 138th LLC. P.O. Box 301427 Portland, OR 97294 Phone: 503-285-9940

ISSUED BY METRO:

Warren Johnson, Policy and Compliance Program Director

Date

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1.0	ISSUANCE	
1.1	**Corporate affiliation**	City of Roses Disposal & Recycling, Inc. P.O. Box 301427 Portland, OR 97294
1.2	**Contact**	Alando Simpson Phone: 503-285-9940 E-mail: alando@cityofrosesdisposal.com
1.3	**Term**	The term of this franchise is January 1, 2026, to December 31, 2026, unless amended, suspended or revoked as provided in this franchise.
1.4	**Renewal**	The franchisee may apply for a franchise renewal as provided in Metro Code Chapter 5.01.
1.5	**Facility name and mailing address**	COR Transfer Station P.O. Box 301427 Portland, OR 97294 Phone: 503-285-9940
1.6	**Facility premises description**	Tax Lot Identification Nos. 1N2E23D-00100 and 1N2E23D-00101, City of Portland, Multnomah County, State of Oregon. Metro may inspect the facility site and any areas directly related to the transfer station operations as per Section 13.3.
1.7	**Permission to operate**	The property owner consents to use of the property as a transfer station by the franchisee.

2.0	CONDITIONS AND DISCLAIMERS	
2.1	**Guarantees**	This franchise does not vest any right or privilege in the franchisee to receive specific quantities of solid waste at the direction of Metro during the term of the franchise.
2.2	**Non-exclusive franchise**	This franchise does not limit Metro from granting other solid waste franchises within Metro's jurisdictional boundary.
2.3	**Property rights**	This franchise does not convey any property rights in either real or personal property.
2.4	**Amendment**	Except as provided in Section 12.0, no amendment is effective unless approved by the Metro Council.
2.5	**No recourse**	The franchisee will have no recourse against Metro or its officials, agents or employees for any loss, costs, expense or damage arising out of any provision or requirement of this franchise or because of the enforcement

		of the franchise or in the event Metro determines that the franchise or any part thereof is invalid.
2.6	**Indemnification**	The franchisee must indemnify Metro, the Council, the Chief Operating Officer, and any of Metro's employees or agents and save them harmless from any and all loss, damage, claim, expense including attorney's fees, or liability related to or arising out of the granting of this franchise or the franchisee's performance of or failure to perform any of its obligations under the franchise or Metro Code Chapter 5.01, including without limitation patent infringement and any claims or disputes involving subcontractors.
2.7	**Waivers**	To be effective, a waiver of any terms or conditions of this franchise must conform with Section 12.0 and be in writing and signed by Metro.
2.8	**Effect of waiver**	Waiver of a term or condition of this franchise does not waive nor prejudice Metro's right otherwise to require subsequent performance of the same term or condition or any other term or condition.
2.9	**Enforceability**	If a court of competent jurisdiction determines that any provision of this franchise is invalid, illegal or unenforceable in any respect, the validity of the remaining provisions contained in this franchise will not be affected.
2.10	**Franchise not a waiver**	This franchise does not relieve any owner, operator or the franchisee from the obligation to obtain all required permits, franchises or other clearances and to comply with all orders, laws, regulations, reports or other requirements of other regulatory agencies.
2.11	**Franchise not limiting**	This franchise does not limit the power of a federal, state, or local agency to enforce any provision of law relating to the facility.
2.12	**Definitions**	1. "Mixed Non-Putrescible Waste" means a mixture of more than one type of non-putrescible waste, including commingled recyclables other than residential curbside recyclable material. This category includes construction and demolition waste but excludes cleanup material, source-separated recyclable material, special waste, land clearing debris and yard debris. 2. Unless otherwise specified, all other terms are as defined in Metro Code Chapter 5.00.

3.0	**AUTHORIZATIONS**	
3.1	**General conditions on solid waste**	The franchisee is authorized to accept at the facility only the solid waste described in Section 3.0. The franchisee is prohibited from knowingly receiving any solid waste not authorized in this section.

3.2	**General conditions on activities**	The franchisee is authorized to perform at the facility only those waste-related activities that are described in Section 3.0.
3.3	**Acceptance and management of putrescible solid waste**	1. The franchisee is authorized to accept putrescible waste for reload and transfer to an appropriate destination as provided in Section 13.2. The franchisee also is authorized to accept putrescible waste for material recovery**.** 2. The franchisee must receive, manage, store, reload and transfer all putrescible waste on an impervious surface, for example asphalt or concrete, and inside a roofed building that is enclosed on at least three sides or alternatively, inside watertight, covered containers or within covered transport trailers. 3. The franchisee is authorized to accept putrescible waste generated inside the Metro region only from persons who are franchised or permitted by a local government unit to collect and haul putrescible waste. 4. The franchisee must transfer all putrescible waste off-site within 24 hours of receipt unless otherwise described in an operating plan and approved in writing by Metro. 5. Putrescible waste stored on-site overnight must not exceed one truckload (25 cubic yards) and must be stored inside a covered container inside the closed building.
3.4	**Acceptance and management of mixed non-putrescible solid waste**	1. The franchisee is authorized to accept loads of mixed non-putrescible solid waste from all customers including public self-haul to perform material recovery. 2. The franchisee must receive, sort, store, reload and transfer all mixed non-putrescible solid waste on an impervious surface, for example asphalt or concrete, and inside a roofed building that is enclosed on at least three sides. Unusually large vehicles, for example 30-foot tippers, may tip wastes outside, provided the tipped wastes are moved under cover prior to processing, within 12 hours of receipt, or by the end of the business day, whichever is earlier. 3. The franchisee must transfer all mixed non-putrescible waste off-site within 48 hours of receipt unless otherwise described in an operating plan and approved in writing by Metro.
3.5	**Material recovery required**	1. The franchisee must perform material recovery on mixed non-putrescible wastes at no less than the minimum level stipulated in Metro Code Chapter 5.01 or must reload and transfer such waste to a facility authorized by Metro to perform material recovery. 2. The franchisee must ensure that the facility is designed and operated so that materials are recovered in a timely manner and that the reloading and transfer of non-putrescible waste to a Metro-authorized material recovery facility is conducted rapidly and

		efficiently while protecting the quality of non-putrescible waste that has not yet undergone material recovery. 3. The franchisee must take quarterly samples of processing residual, when generated at the facility, that are statistically valid and representative of the facility's residual. Each sample required by this section must weigh at least 300 pounds.
3.6	**Management of processing residual from material recovery**	The franchisee must store, reload and transfer all non-putrescible waste processing residual on an impervious surface and inside a roofed building that is enclosed on at least three sides or alternatively, inside watertight, covered containers or within covered transport trailers.
3.7	**Acceptance of source-separated recyclable materials**	1. The franchisee must provide a place for collecting source-separated recyclable materials on the facility premises. 2. The franchisee is authorized to accept source-separated recyclable materials for the purpose of sorting, classifying, consolidating, baling, temporary storage, transfer and other similar functions related to preparing these materials for reuse or recycling. 3. The franchisee must transfer all source-separated recyclable materials off-site within 180 days of receipt unless otherwise described in an operating plan and approved in writing by Metro.
3.8	**Acceptance of yard debris**	1. The franchisee is authorized to accept source-separated yard debris that has not reached a state of decomposition sufficient to produce odors detectable beyond the boundaries of the facility. 2. The franchisee may accept yard debris for grinding and reloading to authorized facilities for composting, use as hogged fuel, or other useful purposes as described in an operating plan and approved in writing by Metro. 3. The franchisee must transfer all yard debris off-site within seven days of receipt unless otherwise described in an operating plan and approved in writing by Metro.
3.9	**Acceptance of source-separated food waste**	1. The franchisee is authorized to accept source-separated food waste for reloading to an authorized facility for composting, anaerobic digestion or other resource recovery process as described in an operating plan and approved in writing by Metro. 2. Notwithstanding subsection 3.9.1 above, the Chief Operating Officer may amend this franchise as described in section 12.0 to require the franchisee to accept source-separated food waste. 3. If the franchisee accepts source-separated food waste, then the franchisee must: (a) Reload and transfer all source-separated food waste, including residential yard debris mixed with food waste, from the site

		within 24 hours of receipt unless otherwise described in an operating plan and approved in writing by Metro; (b) Protect the quality of source-separated food waste such that it is suitable for composting, anaerobic digestion or other resource recovery process that is approved in writing by Metro; and (c) Transport all source-separated food waste to a Metro-authorized facility for recovery.
3.10	**Acceptance of untreated wood**	The franchisee is authorized to accept, for processing and reloading, source-separated, untreated and unpainted wood waste, for example untreated lumber and wood pallets. The franchisee may accept clean wood waste for grinding and reloading to authorized facilities for composting, use in paper production, use as hogged fuel or other useful purposes as described in an operating plan and approved in writing by Metro.
3.11	**Acceptance of painted and treated wood**	The franchisee is authorized to accept painted and treated wood waste for grinding and reloading to authorized facilities for use as hogged fuel or other useful purposes as described in an operating plan and approved in writing by Metro. The franchisee must not use or incorporate painted or treated wood into mulch, animal bedding, compost feedstock or any other product unless otherwise described in an operating plan and approved in writing by Metro.
3.12	**Acceptance of electronics devices**	The franchisee is authorized to accept source-separated electronic devices for the purpose of sorting, classifying, consolidating, baling, temporary storage, transfer and other similar functions related to preparing these materials for reuse, recycling or disposal as required by the Oregon Department of Environmental Quality (DEQ).
3.13	**Acceptance of inert material**	The franchisee is authorized to accept inert materials for purposes of classifying, consolidating, transfer and other similar functions related to preparing these materials for useful purposes.
3.14	**Facility Capacity**	The franchisee must not exceed its designed operational capacity. If the transfer station reaches operational capacity, the franchisee must not accept additional material for processing or transfer.
3.15	**Production of hogged fuel**	1. The franchisee is authorized to accept and process only untreated wood, painted wood and incidental quantities of treated wood for delivery to facilities with industrial boilers for use as hogged fuel. 2. The franchisee is prohibited from mixing any other solid waste with the wood waste described above in subsection 3.15.1 for the production of hogged fuel.

4.0	LIMITATIONS AND PROHIBITIONS	
4.1	**Tonnage allocation**	1. The franchisee is authorized to accept putrescible waste generated inside the Metro region as provided in this franchise. 2. By January 1 of each year, Metro will amend this franchise to establish an annual tonnage allocation amount for the franchisee. 3. Metro will determine the tonnage allocation amount in accordance with the allocation methodology provided in Metro Code Chapter 5.01 and applicable administrative rules. 4. For calendar year 2026, beginning on January 1 and ending December 31, 2026, the franchisee is authorized to accept up to 70,673 tons of putrescible waste generated inside the Metro region.
4.2	**Waste hauler access**	It is in the public's best interest that transfer stations located inside the Metro region maintain adequate capacity to accommodate solid waste generated within the region and provide adequate access to waste haulers. Therefore: 1. The franchisee must not accept solid waste generated outside the Metro region if to do so would limit the franchisee from accepting any putrescible or non-putrescible waste generated inside the Metro region; 2. The franchisee must not deny access to any unaffiliated waste hauler without due cause or written notice 30-days in advance. Due cause includes, but is not limited to, load contamination, failure to pay or risk of exceeding the franchise tonnage allocation; and 3. Metro may require the franchisee to provide a written explanation of its rationale if the facility denies access or refuses service to a waste hauler.
4.3	**Prohibited waste**	The franchisee must not knowingly receive, process, reload or dispose of any solid waste not authorized by this franchise. The franchisee must not knowingly accept or retain any material amounts of the following types of waste: materials contaminated with or containing asbestos; lead acid batteries; liquid waste for disposal; vehicles; infectious, biological or pathological waste; radioactive waste; hazardous waste; explosives; or any waste prohibited by DEQ.
4.4	**Prohibition on mixing**	The franchisee must not mix different waste types unless such mixing is described in an operating plan and approved in writing by Metro
4.5	**Prohibition of size reduction on non-putrescible waste**	The franchisee must not crush, grind or otherwise reduce the size of non-putrescible waste except when such size reduction constitutes a specific step in the facility's material recovery operations, reload operations, processing residual consolidation or loading operations, and such size

		reduction is described in an operating plan and approved in writing by Metro.
4.6	**No disposal of recyclable materials**	The franchisee must not transfer source-separated recyclable materials to a disposal site, including without limitation, landfills and incineration facilities, without written permission from Metro and DEQ.
4.7	**Composting prohibited**	The franchisee must not keep yard debris on site long enough for more than negligible biological decomposition to begin.
4.8	**Limits not exclusive**	This franchise will not be construed to limit, restrict, curtail or abrogate any limitation or prohibition contained elsewhere in this franchise document, in Metro Code or in any federal, state, regional or local government law, rule, regulation, ordinance, order or permit.

5.0	**REGIONAL WASTE PLAN**	
5.1	**Regional Waste Plan**	1. Metro plans, manages and oversees the region's solid waste system to achieve the goals and actions outlined in the 2030 Regional Waste Plan. 2. Metro may amend this franchise and establish new requirements for the franchisee to achieve the goals and actions of the 2030 Regional Waste Plan.

6.0	**OPERATING CONDITIONS**	
6.1	**General performance standards**	The franchisee must operate in a manner that meets the following general performance standards: 1. Environment. The franchisee must design and operate the facility to avoid undue threats to the environment including, but not limited to, stormwater or groundwater contamination, air pollution and improper acceptance and management of hazardous waste, asbestos and other prohibited wastes. 2. Health and safety. The franchisee must design and operate the facility to avoid conditions that may degrade public health and safety including, but not limited to, fires, vectors, pathogens and airborne debris. 3. Nuisances. The franchisee must design and operate the facility to avoid nuisance conditions including, but not limited to, litter, dust, odors and noise.
6.2	**Qualified operator**	1. The franchisee must, during all hours of operation, provide an operating staff employed by the facility that is qualified and

		competent to carry out the functions required by this franchise and to otherwise comply with Metro Code Chapter 5.01. 2. Facility personnel, as relevant to their job duties and responsibilities, must be familiar with the relevant provisions of this franchise and the relevant procedures contained within the facility's operating plan. 3. A qualified operator must be an employee of the facility with training and authority to reject prohibited waste that is discovered during load checks and to properly manage prohibited waste that is unknowingly received.
6.3	**Fire prevention**	The franchisee must provide fire prevention, protection and control measures including, but not limited to: 1. Adequate water supply for fire suppression; 2. The isolation of potential heat sources and/or flammables from processing and storage areas; and 3. Comply with all applicable Oregon Fire Code and pile size requirements.
6.4	**Adequate vehicle accommodation**	The franchisee must: 1. Provide access roads of sufficient capacity to adequately accommodate all on-site vehicular traffic. The franchisee must maintain access roads to allow the orderly egress and ingress of vehicular traffic when the facility is in operation, including during inclement weather. 2. Take reasonable steps to notify and remind persons delivering solid waste to the facility that vehicles must not park or queue on public streets or roads except under emergency conditions or as provided by local traffic ordinances. 3. Post signs to inform customers not to queue on public roadways. 4. Provide adequate off-street parking and queuing for vehicles, including adequate space for on-site covering and uncovering of loads.
6.5	**Managing prohibited wastes**	1. The franchisee must reject prohibited waste upon discovery and must properly manage and dispose of prohibited waste when unknowingly received. 2. The franchisee must implement a load-check program to prevent the acceptance of prohibited waste. This program must include at a minimum: (a) Visual inspection. As each load is tipped, a qualified operator must visibly inspect the load to prevent the acceptance of waste that is prohibited by the franchise. (b) Containment area. A secured or isolated containment area for the storage of prohibited wastes that are unknowingly received.

		Containment areas must be covered and enclosed to prevent leaking and contamination. (c) Record maintenance. The franchisee must maintain records of the training of personnel in the recognition, proper handling and disposition of prohibited waste and make those records available for review by Metro. 3. Upon discovery, the franchisee must remove all prohibited or unauthorized wastes or manage the waste in accordance with DEQ requirements and procedures established in the operating plan. All such wastes the franchisee unknowingly receives must be removed from the site and transported to an appropriate destination within 90 days of receipt, unless required to be removed earlier by DEQ or local government.
6.6	**Storage and exterior stockpiles**	The franchisee must: 1. Manage, contain and remove at sufficient frequency stored materials and solid wastes to avoid creating nuisance conditions, vector or bird attraction or harborage, or safety hazards; 2. Maintain storage areas in an orderly manner and keep the areas free of litter; 3. Position exterior stockpiles within footprints and allowed dimensions (length, width and height) in accordance with Oregon Fire Code and as identified on the facility site plan or operating plan; and 4. Not stockpile recovered or source-separated materials for longer than 180 days.
6.7	**Dust, airborne debris and litter**	The franchisee must operate the facility in a manner that controls and minimizes the generation of dust, airborne debris and litter, and must prevent its migration beyond property boundaries. The franchisee must: 1. Take reasonable steps, including signage, to notify and remind persons delivering solid waste to the facility that all loads must be suitably secured to prevent any material from blowing off the load during transit; 2. Maintain and operate all vehicles and devices transferring or transporting solid waste from the facility to prevent leaking, spilling or blowing of solid waste on-site or while in transit; 3. Maintain and operate all access roads and receiving, processing, storage and reload areas in such a manner as to control and minimize dust and debris generated on-site and prevent such dust and debris from blowing or settling off-site; 4. Keep all areas within the site and all vehicle access roads within ¼ mile of the site free of litter and debris generated directly or indirectly as a result of the facility's operation; 5. Maintain on-site facility access roads to prevent or control dust and

		to prevent or control the tracking of mud off-site; and 6. Provide access to the facility for the purpose of uncovered load enforcement. During all times that solid waste or recyclable materials are being accepted, authorized representatives of Metro, including law enforcement personnel on contract to Metro, must be permitted access to the premises of the facility for the purpose of making contact with individuals they have observed transporting uncovered loads of solid waste or recyclable materials on a public road right-of-way in violation of Metro Code Chapter 5.09.
6.8	**Odor**	1. The franchisee must operate the facility in a manner that controls and minimizes the generation of odors that are detectable off-site. 2. The franchisee must establish and follow procedures in the operating plan for minimizing odor at the facility.
6.9	**Vectors (e.g. birds, rodents, insects)**	1. The franchisee must operate the facility in a manner that is not conducive to harboring rodents, birds, insects or other vectors capable of transmitting, directly or indirectly, infectious diseases to humans or from one person or animal to another. 2. If vectors are present or detected at the facility, the franchisee must implement vector control measures.
6.10	**Noise**	The franchisee must operate the facility in a manner that controls and minimizes any noise sufficient to cause adverse off-site impacts and meets applicable regulatory standards and land-use regulations.
6.11	**Water contaminated by solid waste and solid waste leachate**	The franchisee must operate the facility consistent with an approved DEQ stormwater management plan or equivalent and must: 1. Operate and maintain the facility to prevent contact of solid wastes with storm water runoff and precipitation; and 2. Dispose of or treat water contaminated by solid waste generated on-site in a manner complying with local, state and federal laws and regulations.
6.12	**Access control**	1. The franchisee must control access to the facility as necessary to prevent unauthorized entry and dumping. 2. The franchisee must maintain a gate or other suitable barrier at potential vehicular access points to prevent unauthorized access to the site when an attendant is not on duty.
6.13	**Signage**	The franchisee must post signs at all public entrances to the facility. The signs must comply with local government signage regulations. These signs must be easily and readily visible and legible from off-site during all hours and must contain at least the following information: 1. Name of the facility; 2. Address of the facility;

		3. Emergency telephone number for the facility; 4. Operating hours during which the facility is open for the receipt of authorized waste; 5. Rates and charges; 6. Metro's name and telephone number (503) 234-3000; 7. A list of authorized and prohibited wastes; 8. Vehicle / traffic flow information or diagram; 9. Covered load requirements; and 10. Directions not to queue on public roadways.
6.14	**Complaints**	1. The franchisee must respond to all complaints in timely manner including, but not limited to, blowing debris, fugitive dust or odors, noise, traffic and vectors, and must keep a record of such complaints and any action taken to respond to the complaints, including actions to remedy the conditions that caused the complaint. 2. If the facility receives a complaint, the franchisee must: (a) Attempt to respond to that complaint within one business day, or sooner as circumstances may require, and retain documentation of its attempts, whether successful or unsuccessful; and (b) Log all such complaints as provided by the operating plan. The franchisee must retain each log entry for one year and it must be available for inspection by Metro.
6.15	**Operating hours**	Metro may reasonably regulate the hours of facility operations as it finds necessary to ensure compliance with this franchise.
6.16	**Access to franchise document**	The franchisee must maintain a copy of this franchise on the facility's premises in a location where facility personnel and Metro representatives have ready access to it.
6.17	**Employment standard**	The franchisee must comply with Oregon's "ban the box" law (ORS 659A.360) which makes it unlawful for an employer to inquire about criminal convictions before the interview stage of hiring.
6.18	**Additional operating conditions**	As conditions of the city's land use requirements, the franchisee must: 1. Operate and maintain an odor control and neutralizing system; 2. Maintain landscaping (a high hedge) along the southern property line that meets landscaping standards; and 3. Maintain a capture and management system for leachate (liquid that has come into direct contact with solid waste and contains dissolved, miscible and/or suspended contaminants as a result of such contact).

7.0	OPERATING PLAN	
7.1	**Plan compliance**	The franchisee must operate the facility in accordance with an operating plan approved in writing by Metro. The operating plan must include sufficient detail to demonstrate that the facility will be operated in compliance with this franchise. The franchisee may amend or revise the operating plan from time to time, subject to written approval by Metro.
7.2	**Plan maintenance**	The franchisee must revise the operating plan as necessary to keep it current with facility conditions, procedures and requirements. The franchisee must submit amendments and revisions of the operating plan to Metro for written approval prior to implementation.
7.3	**Access to operating plan**	The franchisee must maintain a copy of the operating plan on the facility premises and in a location where facility personnel and Metro representatives have ready access to it.
7.4	**Procedures for inspecting loads**	The operating plan must include: 1. Procedures for inspecting incoming loads for the presence of prohibited or unauthorized wastes; 2. Procedures for identifying incoming and outgoing loads for waste classifications; 3. A set of objective criteria for accepting and rejecting loads; and 4. An asbestos testing protocol for all materials that appear to contain asbestos.
7.5	**Procedures for mixing waste types**	The operating plan must include: 1. Circumstances under which waste types will be mixed; and 2. Procedures for record keeping and reporting for mixed outbound loads.
7.6	**Procedures for processing and storage of loads**	The operating plan must include procedures for: 1. Processing authorized solid wastes; 2. Reloading and transfer of authorized solid wastes; 3. Managing stockpiles to ensure that they remain within the footprint and pile sizes (mass, length, width and height) identified on the site plan and in compliance with Oregon Fire Code and all applicable local, state and federal laws, rules, regulations, ordinances, orders and permits; 4. Storing authorized solid waste; and 5. Minimizing storage times and avoiding delay in processing of authorized solid wastes.

7.7	**Procedures for managing prohibited wastes**	The operating plan must include procedures for managing, reloading and transporting to appropriate facilities or disposal sites any prohibited or unauthorized waste if they are discovered at the facility. In addition, the operating plan must include procedures and methods for notifying generators not to place hazardous waste or other prohibited waste in drop boxes or other collection containers destined for the facility.
7.8	**Procedures for odor prevention**	The operating plan must include procedures for controlling and minimizing odors generated at the facility from being detected off the premises of the facility. The plan must include: 1. A management plan that the franchisee will use to monitor and manage odors of any derivation including odorous loads delivered to the facility; and 2. Procedures for receiving and recording odor complaints, immediately investigating all odor complaints to determine the cause of odor emissions and remedying promptly all odor problems at the facility.
7.9	**Procedures for dust prevention**	The operating plan must include procedures for controlling and minimizing dust from blowing off the premises of the facility. The plan must include: 1. A management plan that the franchisee will use to monitor and manage dust of any derivation; and 2. Procedures for receiving and recording dust complaints, immediately investigating all dust complaints to determine the cause of dust emissions and remedying promptly all dust problems at the facility.
7.10	**Procedures for emergencies**	The operating plan must include procedures that the franchisee will follow in case of fire or other emergency.
7.11	**Procedures for complaints**	The operating plan must include procedures for managing complaints. 1. For every complaint received (for example odor, dust, vibrations and litter), the franchisee must record: (a) The nature of the complaint; (b) The date the complaint was received; (c) The name, address and telephone number of the person or persons making the complaint; and (d) Any actions taken by the operator in response to the complaint, whether successful or unsuccessful. 2. The franchisee must make records of such information available to Metro upon request. The franchisee must retain each complaint record for a period of not less than one year.

7.12	**Closure protocol**	1. The franchisee must establish protocol for closure and restoration of the site in the event of a cessation of operations as provided in Metro Code Chapter 5.01. 2. The plan must include protocol for: (a) Short-term closure (duration of time that is more than two consecutive business days but less than 120 days in length); and (b) Long-term closure (duration of time that is 120 consecutive days or more in length). 3. The franchisee must give at least 24-hour notice to Metro prior to the short-term closure of the facility. 4. The franchisee must give at least 90 days written notice to Metro prior to the long-term closure of the facility.

8.0	**FEES AND RATES**	
8.1	**Annual fee**	The franchisee must pay an annual franchise fee, as established in Metro Code Chapter 5.01. Metro reserves the right to change the franchise fee at any time by action of the Metro Council.
8.2	**Rates**	1. The rates charged by the franchisee for accepting solid waste are not subject to regulation by Metro unless the Metro Council adopts an ordinance that establishes Metro's rate regulation authority. 2. Notwithstanding the provision above, the rates charged by the franchisee must not exceed the rates posted at the facility as described in Section 6.13. 3. The franchisee must notify Metro in writing at least 30 days before making any changes to the posted rates charged at the facility for accepting solid waste (including disposal rates, transaction fees, and other charges). 4. The franchisee must provide Metro with a copy of any rate notification that it sends to its commercial customers within five business days of the notification.
8.3	**Regional system fee and excise tax**	1. The franchisee is liable for payment of the Metro regional system fee, as provided in Metro Code Chapter 5.02, and the Metro excise tax, as provided in Metro Code Chapter 7.01, on all solid waste transported to a disposal site. 2. The franchisee must pay the regional system fee and excise tax to: (a) Metro as required by a non-system license issued to the franchisee; or (b) A designated facility that is authorized by Metro to collect and remit fees and taxes on behalf of the franchisee.

		3. Notwithstanding Subsection 2, the franchisee may pay to Metro the regional system fee and excise tax for waste transported to a designated facility if approved in writing by Metro. In such instance, the franchisee must perform the following by the last day of each month: (a) Submit to Metro a Regional System Fee and Excise Tax Report, that covers the preceding month; and (b) Remit to Metro the requisite regional system fee and excise tax in accordance with this franchise and Metro Code provisions applicable to the collection, payment, and accounting of those fees and taxes. 4. The franchisee must pay to Metro a finance charge for any delinquent regional system fee and excise tax payment as set forth under Metro Chapters 5.02 and 7.01. 5. The franchisee must make available to Metro for inspection all records from which Sections 8.0 and 9.0 are derived.
8.4	**Metro community enhancement fee imposed on waste received**	The franchisee must: 1. Collect a community enhancement fee, as provided in Metro Code Chapter 5.06, in an amount equal to $1.00 per ton for all putrescible waste including food waste and residential yard debris mixed with food waste; 2. Remit to Metro the community enhancement fees described in this section by the last day of each month for waste received in the preceding month.

9.0	**RECORD KEEPING AND REPORTING**	
9.1	**Record keeping requirements**	For all solid waste and materials the franchisee is authorized to accept under Section 3.0, the franchisee must keep and maintain accurate records of the amount of authorized materials the franchisee accepts, recovers, recycles, reloads and disposes. These records must include the information specified in the Metro document titled, *Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees and Parties to Designated Facility Agreements*.
9.2	**Reporting requirements**	1. The franchisee must transmit to Metro records required under Sections 8.0 and 9.0 no later than fifteen days following the end of each month in a format prescribed by Metro. 2. Notwithstanding Subsection 1, Metro may require the franchisee to report the records required by Sections 8.0 and 9.0 on a weekly or daily basis in the event of a significant disruption to the solid waste system.

9.3	**Material recovery reporting**	The franchisee must provide the results of its quarterly sampling of processing residual, as provided in Section 3.5 of this franchise, to Metro as a component of its monthly report no later than fifteen days following the end of each quarter in a format prescribed by Metro.
9.4	**Account number listing**	Within five business days of Metro's request, the franchisee must provide Metro with a listing that cross-references the account numbers used in the transaction database with the company's name and address.
9.5	**Transactions based on scale weights**	Except for minimum fee transactions for small, lightweight loads, the franchisee must record each inbound and outbound transaction electronically based on actual and accurate scale weights using the franchisee's on-site scales.
9.6	**DEQ submittals**	The franchisee must provide Metro with copies of all correspondence, exhibits or documents submitted to DEQ relating to the terms or conditions of DEQ solid waste permit or this franchise within five business days of providing such information to DEQ.
9.7	**Copies of enforcement actions provided to Metro**	The franchisee must provide Metro with copies of any notice of violation or noncompliance, citation or any other similar enforcement actions issued to the franchisee by any federal, state or local government (other than Metro) related to the operation of the facility within five days of receipt.
9.8	**Unusual occurrences**	1. The franchisee must keep and maintain accurate records of any unusual occurrences (such as fires or any other significant disruption) encountered during operation, and methods used to resolve problems arising from these events, including details of all incidents that required implementing emergency procedures. 2. The franchisee must notify Metro within 24 hours of any breakdown of the franchisee's equipment if the breakdown will substantially impact the facility's ability to comply with this franchise, with Metro Code or which will create off-site impacts. 3. The franchisee must report any facility fires, accidents, emergencies and other significant incidents to Metro within 12 hours of the discovery of their occurrence. 4. The franchisee must report any long term or short term closures as provided in Section 7.12.
9.9	**Changes in ownership**	1. Any change in control of the franchisee or the transfer of a controlling interest of the franchisee requires prior written notice to Metro. "Transfer of a controlling interest of the franchisee" includes without limitation the transfer of 10% or more of the ownership of the franchisee to or from a single entity. Metro may amend this franchise under Section 12.2 to require the new ownership of the franchisee to assume all the rights and obligations of this franchise.

		2. The franchisee may not lease, assign, mortgage, sell or otherwise transfer control of the franchise unless the franchisee follows the requirements of Metro Code Chapter 5.01.

10.0	**INSURANCE REQUIREMENTS**	
10.1	**General liability**	The franchisee must carry the most recently approved ISO (Insurance Services Office) Commercial General Liability policy, or its equivalent, written on an occurrence basis, with limits not less than $1,000,000 per occurrence. The policy will include coverage for bodily injury, property damage, personal injury, death, contractual liability, premises and products/completed operations. The franchisee's coverage will be primary as respects Metro.
10.2	**Automobile**	The franchisee must carry automobile insurance with coverage for bodily injury and property damage, and with limits not less than minimum of $1,000,000 per accident or combined single limit.
10.3	**Additional insureds**	Metro, its elected officials, departments, employees, volunteers and agents must be named as ADDITIONAL INSUREDS on the Commercial General Liability policy. The franchisee must include the additional insured endorsement along with the certificate of insurance.
10.4	**Workers' compensation insurance**	1. The franchisee, its subcontractors, if any, and all employers working under this franchise, are subject employers under the Oregon Workers' Compensation Law, and must comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. 2. The Workers' Compensation Insurance must meet Oregon statutory requirements including Employer's Liability with limits not less than $1,000,000 per accident or disease. 3. The franchisee must provide Metro with certification of Workers' Compensation insurance including employer's liability. If the franchisee has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached in lieu of the certificate showing current Workers' Compensation.
10.5	**Certificate of insurance**	1. The franchisee must provide Metro with a Certificate of Insurance complying with this Section 10. 2. The franchisee must list Metro as the certificate holder. 3. Upon insurance renewal, the franchisee must submit an updated certificate of insurance and the additional insured endorsement to Metro via email (SWICC@oregonmetro.gov).

10.6	**Notification**	The franchisee must give at least 30 days written notice to Metro of any lapse or proposed cancellation of insurance coverage.

11.0	**ENFORCEMENT**	
11.1	**Authority vested in Metro**	The power and right to regulate, in the public interest, the exercise of the privileges granted by this franchise is at all times vested in Metro. Metro reserves the right to establish or amend rules, regulations or standards regarding matters within Metro's authority, and to enforce all such requirements against the franchisee.
11.2	**No enforcement limitations**	This franchise may not be construed to and does not limit, restrict, curtail or abrogate any enforcement provision contained in Metro Code or administrative rules adopted pursuant to Metro Code, nor does this franchise limit or preclude Metro from adopting ordinances that regulate the health, safety or welfare of any person or persons within the Metro jurisdictional boundary, notwithstanding any incidental impact that such ordinances may have upon the terms of this franchise or the franchisee's operation of the facility.
11.3	**Penalties**	Each violation of a franchise condition is punishable by penalties as established in Metro Code Chapter 5.01. Each day a violation continues constitutes a separate violation.

12.0	**AMENDMENT, SUSPENSION AND REVOCATION**	
12.1	**Amendment by Metro Council**	Except as provided in Section 12.2, the provisions of this franchise will remain in effect unless the Metro Council: 1. Amends the Metro Code, amends the 2030 Regional Waste Plan or implements other legislation of broad applicability that affects the class of facilities of which this franchisee is a member; or 2. Adopts an ordinance or resolution amending this franchise to implement policy, code or other requirements such as the 2030 Regional Waste Plan.
12.2	**Amendment, suspension or revocation by Metro**	The Chief Operating Officer may, at any time before the expiration date, amend, suspend or revoke this franchise in whole or in part, in accordance with Metro Code Chapter 5.01, for reasons including but not limited to: 1. Violation of the terms or conditions of this franchise, Metro Code or any applicable statute, rule or standard; 2. Changes in local, regional, state or federal laws or regulations that should be specifically incorporated into this franchise, such as Metro actions to implement new requirements from the 2030 Regional

		Waste Plan; 3. Failure to disclose fully all relevant facts; 4. A significant release into the environment from the facility; 5. Significant change in the character of solid waste received or in the operation of the facility; 6. Any change in ownership or control; 7. A request from the local government stemming from impacts resulting from facility operations; 8. A change of authorization request received from the franchisee; 9. Compliance history of the franchisee; and 10. Changes in the tonnage allocation based on new information, or changes in methodology, administrative rule or Metro Code.

13.0	**GENERAL OBLIGATIONS**	
13.1	**Compliance with law**	The franchisee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders and permits pertaining in any manner to this franchise, including all applicable Metro Code provisions and administrative rules adopted pursuant to Chapter 5.01, whether or not those provisions have been specifically mentioned or cited in this franchise. All conditions imposed on the operation of the facility by federal, state, regional or local governments or agencies having jurisdiction over the facility are deemed part of this franchise as if specifically set forth in this franchise. These conditions and permits include those cited within or attached as exhibits to the franchise document, any existing at the time the franchise is issued but not cited or attached, and any issued or amended during the term of the franchise.
13.2	**Transport waste to appropriate destinations**	The franchisee must ensure that solid waste transported from the facility goes to the appropriate destinations under Metro Code Chapters 5.01 and 5.05, and under applicable local, state and federal laws, rules, regulations, ordinances, orders and permits.
13.3	**Right of inspection and audit**	1. The franchisee must allow Metro's authorized representatives to access the facility and premises at any time during business hours, with or without advanced notice. For non-business hours, the franchise must allow access to Metro's authorized representatives upon receiving advanced notice of not less than 24 hours. 2. Metro's authorized representatives may take photographs, collect samples of materials and perform any inspection or audits as Metro considers appropriate. 3. Metro inspection reports, including site photographs, are public records subject to disclosure under Oregon Public Records Law.

		Subject to the applicable confidentiality provisions in Section 13.4, Metro's right to inspect includes the right to review all information from which all required reports are derived including all books, maps, plans, income tax returns, financial statements, contracts and other similar written materials of the franchisee that are directly related to the facility's operation and its rates. 4. The franchisee must permit access to the facility premises to authorized representatives of Metro, including personnel on contract to Metro, to perform research at all times during business hours, with or without notice. The franchisee must provide: (a) Access to all areas where it generates, manages, stores and reloads waste, including without limitation to transfer vehicles; (b) Access to facility personnel and equipment to collect, sort, store and weigh waste; and (c) Access to a safe, covered location away from working areas and vehicle traffic on site where authorized representatives of Metro analyze waste and record data.
13.4	**Confidential information**	1. The franchisee may identify as confidential any reports, books, records, maps, plans, income tax returns, financial statements, contracts and other similar written materials of the franchisee that are directly related to the operation of the facility and that are submitted to or reviewed by Metro. The franchisee must prominently mark any information that it claims confidential with the mark "CONFIDENTIAL" before it submits it to Metro for review. Metro will treat as confidential any information so marked and will make a good faith effort not to disclose such information unless Metro's refusal to disclose such information would be contrary to applicable Oregon law, including, without limitation, ORS Chapter 192. 2. If Metro receives a public records request seeking disclosure of information identified as confidential by the franchisee, Metro will provide the franchisee with a courtesy notice of that request within five days of receipt of the request. 3. This Section 13.0 does not limit the use of any information submitted to or reviewed by Metro for regulatory purposes or in any enforcement proceeding. 4. Metro may share any confidential information with representatives of other governmental agencies provided that, consistent with Oregon law, those representatives agree to continue to treat the information as confidential and make good faith efforts not to disclose the information.
13.5	**Compliance by agents**	The franchisee is responsible for ensuring that its agents and contractors comply with this franchise.

14.0	ADDITIONAL REQUIREMENTS	
14.1	**Compliance with additional requirements**	The franchisee must comply with the additional requirements described in this section.
14.2	**Stockpile and material inventory recordkeeping**	1. The franchisee must maintain and report to Metro accurate records of the amount of solid waste, including recyclable materials, that the franchisee stockpiles or stores in inventory on site. 2. The franchisee must maintain the records required by this section based on actual and accurate scale weights using the franchisee's on-site scales. 3. The franchise must transmit to Metro the information required under this section no later than fifteen days following the end of each month in a format prescribed by Metro.
14.3	**Updated site plan and operating plan**	1. The franchisee must submit an updated operating plan to Metro by January 15, 2026, that describes how the facility will accurately record, track and remove at sufficient frequency the materials stockpiled or stored in inventory onsite. The franchisee must submit the updated operating plan to Metro for written approval prior to implementation in accordance with Section 6.0 of this franchise. 2. The franchisee must submit an updated site plan to Metro by January 15, 2026, that shows where the facility will manage and contain the materials stockpiled or stored in inventory onsite.
14.4	**Compliance evaluation**	1. Metro may further examine the franchisee's facility records and monthly reports, perform site inspections and record reviews, and conduct other investigations to evaluate whether the franchisee is in compliance with Metro Code, franchise provisions, and other corrective actions required by Metro. 2. The franchisee must cooperate with all aspects of Metro's compliance evaluation. 3. Failure comply may result in enforcement in accordance with Section 11 or amendment, suspension or revocation of the franchise in accordance with Section 12.

Legal Antecedents
Pursuant to Metro Code 5.01.180, the Council will consider the following factors when determining whether to issue a franchise:

(1) *Whether the applicant has demonstrated that the proposed solid waste facility and authorized activities will be consistent with the Regional Waste Plan;*

Staff finds that the proposed activity is consistent with the regional values and policies outlined in the 2030 Regional Waste Plan and specifically aligns with many of the goals of the plan, including goals 12, 13 and 16:

- **Goal 12**: Manage all garbage and recycling operations to reduce their nuisance, safety and environmental impacts on workers and the public.
- **Goal 13**: Invest in communities that receive garbage and recyclables from the Metro region so that those communities regard solid waste facilities as assets.
- **Goal 16**: Maintain a system of facilities, from small recycling drop-off depots to larger full-service stations, to ensure equitable distribution of and access to services.

The proposed renewal is also in alignment with the Regional System Facilities plan adopted by Metro Council in March 2025, that envisions continued operations of the six privately owned transfer stations operating within the Metro region.

(2) *The effect that granting a franchise will have on the cost of solid waste disposal and recycling services for the residents of the region;*

City of Roses Disposal & Recycling, Inc. (COR) has not requested any change in authorization or operational activities at this facility. Renewing the franchise would help ensure continuity of transfer service and minimize potential disruptions to the solid waste system. This is an existing transfer station that is part of the region's solid waste system. As such, the proposed renewal is not expected to have any significant impact on the cost of solid waste disposal and recycling services for the residents of the region.

(3) *Whether granting a franchise is likely to adversely affect the health, safety and welfare of Metro's residents in an unreasonable manner;*

Metro staff is not aware of any facility incidents or operating procedures that adversely affected the health, safety and welfare of Metro's residents during the term of the current franchise. Staff finds it unlikely that the proposed franchise will adversely affect the health, safety and welfare of Metro's residents due to the type of activities performed. The facility is also regulated and monitored by the Oregon Department of Environmental Quality (DEQ).

(4) *Whether granting a franchise is likely to adversely affect nearby residents, property owners, or the existing character or expected future development of the surrounding neighborhood in an unreasonable manner;*

COR Transfer Station is an existing Metro-franchised transfer station and has been in operation at its current location since 2019. The facility is located in an industrial zone and has obtained the requisite land use approval from the City of Portland.

During the recent public comment period for the proposed franchise renewal, Metro received comments from residents near the facility and a comment submitted by the Argay Terrace Neighborhood Association raising concerns about offsite impacts from the facility. A fuller description of the comments received, and Metro's responses to the comments, is provided in Attachment 1 to the Staff Report for Resolution No. 25-5525.

In October 2022, Metro received one odor complaint from a local resident related to COR, and the facility reported receiving seven complaints from three individuals that month. The franchisee reported that it followed up with the concerned individuals, increased the percentage of odor neutralizer in its misting system, and performed increased odor monitoring surveys. Metro also increased odor monitoring during that time.

The proposed franchise carries forward requirements for the facility to control and minimize off-site impacts. Based on the information provided by the applicant, its experience operating a transfer station, and its requisite land use approval, staff finds it unlikely that facility operations would adversely affect the surrounding neighborhood in an unreasonable manner.

(5) *Whether the applicant has demonstrated the strong likelihood that it will comply with all requirement and standards of this chapter, the administrative rules and performance standards adopted pursuant to Section 5.08 and other applicable local, state, and federal laws, rules, and regulations, ordinances, orders or permits pertaining in any manner to the proposed franchise.*

Metro recently determined following a complaint investigation that the applicant filed inaccurate reports and improperly disposed of source-separated recyclable materials. Based on these recent findings, further investigation is necessary to determine whether there are other compliance issues or corrective actions that Metro should consider for the franchise.

The proposed franchise includes a one-year term and Metro Council will consider potentially extending the term of the franchise for an additional four years. This proposed approach allows Metro to further investigate and evaluate the facility's compliance status without causing significant system disruption due to the abrupt closure of an existing transfer station.

DEQ and City of Portland reported to Metro that there are no current enforcement or compliance issues associated with this site.

IN CONSIDERATION OF RESOLUTION NO. 25-5525 FOR THE PURPOSE OF RENEWING CITY OF ROSES DISPOSAL & RECYCLING, INC.'S SOLID WASTE FACILITY FRANCHISE TO OPERATE A TRANSFER STATION

Date: December 5, 2025
Department: Waste Prevention and Environmental Services
Meeting Date: December 18, 2025

Prepared by: Lisa Clark, 971-806-7459, lisa.clark@oregonmetro.gov
Presenters: Warren Johnson and Hila Ritter
Length: 10 minutes

ISSUE STATEMENT
City of Roses Disposal & Recycling (COR) seeks to renew its Metro solid waste facility franchise for COR Transfer Station, a Metro-authorized transfer station located at 4580 NE 138th Avenue in Portland. Metro Code Section 5.01.210 states that Metro Council will approve or deny a solid waste facility franchise renewal.

ACTION REQUESTED
Approve Resolution No. 25-5525 which will authorize the Chief Operating Officer to issue a renewed solid waste facility franchise to COR to operate COR Transfer Station. If adopted as proposed, Council would approve a franchise renewal for a one-year term and may extend the franchise for an additional four years provided that the results of any pending compliance investigation do not otherwise warrant other action pursuant to Metro Code.

IDENTIFIED POLICY OUTCOMES
Approval of this resolution will support the goals of the Regional Waste Plan and Regional System Facilities Plan. This staff report further describes this expected policy outcome.

POLICY QUESTION(S)
Should the Metro Council approve COR's solid waste facility franchise renewal for a one-year term?

POLICY OPTIONS FOR COUNCIL TO CONSIDER
1. Adopt Resolution No. 25-5525 to renew the solid waste facility franchise for COR Transfer Station with a one-year term.

2. Amend Resolution No. 25-5525 to issue a renewed franchise to COR Transfer Station with different conditions other than those recommended by staff.

3. Do not approve Resolution No. 25-5525. If Council does not adopt this resolution, COR Transfer Station will not be authorized to accept, process, or transfer solid waste.

STAFF RECOMMENDATIONS
Staff recommends that Council adopt Resolution No. 25-5525 to approve the renewal of the solid waste facility franchise for COR Transfer Station. If Council approves this resolution, the renewed franchise (F-057-26) will go into effect on January 1, 2026, with a term of one year, and the COO will report to Council the findings of the investigation and recommend whether to extend the franchise term. Staff recommends that Metro Council approve the resolution.

Staff recommends this approach because Metro recently determined, following a complaint investigation, that the applicant filed inaccurate reports and improperly disposed of source-separated recyclable materials. Based on these recent findings, it is necessary to further investigate to determine whether there are other compliance issues or corrective actions that Metro should consider for the franchise. This proposed approach allows time for Metro to further investigate matters without causing significant system disruption due to the abrupt closure of an existing transfer station. If approved, the COO would issue a renewed franchise for a one-year term and further evaluate the franchisee's compliance status.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The current franchise for COR became effective on August 14, 2019, and expires on December 31, 2025. COR applied to renew its franchise without any changes to its current authorization.

As mentioned above, Metro recently determined that the applicant filed inaccurate reports and improperly disposed of source-separated recyclable materials during the current franchise term, and staff recommend a one-year renewal on the condition that Metro further investigate the franchisee's compliance status. The proposed franchise adds a new section with additional requirements (Section 14.0, as described below). The proposed franchise also includes several housekeeping changes and minor updates to clarify regulatory requirements and standardize terminology with other authorizations for increased consistency. The proposed housekeeping updates are listed below and will be included as standard regulatory provisions in all authorizations for similarly situated facilities going forward.

- Section 3.14 - Facility capacity; adds the requirement from Administrative Rule No. 5.01-3120.8 that the franchisee must not exceed the designed operational capacity of the transfer station. This is a standard requirement applicable to all Metro-authorized transfer stations.

- Sections 6.3 - Fire prevention, 6.6.3 - Storage and exterior stockpiles, and 7.6 – Procedures for processing and storage of loads; these sections were updated to clarify that the franchisee must manage materials stockpiles in accordance with Oregon Fire Code requirements and as described in the facility site plan and operating plan.

- Section 6.16 - Employment standard; this section was updated to clarify that the facility must comply with Oregon's "ban the box" law (ORS 659A.360).

- Section 14.0 - Additional requirements; this section incorporates new requirements to address recent compliance issues. The new provisions require COR to submit updated operating and site plans, maintain and report accurate records of all solid waste stockpiled and otherwise stored onsite, and fully cooperate with all aspects of Metro's compliance evaluation.

Legal Antecedents

Pursuant to Metro Code 5.01.210(b), the Council must approve renewal of a solid waste facility franchise unless the Council determines that the proposed renewal is not in the public interest or does not meet the criteria outlined in Metro Code 5.01.180. Exhibit B to Resolution No. 25-5525 contains the staff analysis considering the factors described in Metro Code Section 5.01.180(f) (determining whether to issue a franchise).

Financial Implications

The proposed franchise renewal is not expected to have any financial implications for Metro at this time. This is an existing transfer station that is part of the region's solid waste system. Metro

currently allocates up to 60 percent of the region's putrescible waste to private transfer stations using a tonnage allocation methodology.

The current tonnage allocation program has been in place since January 1, 2020, and Metro is planning to evaluate the program to assess potential future changes. To allow time for the evaluation, there will be no changes to the tonnage allocation process for 2026. The proposed franchise renewal is expected to have minimal impact on Metro's Solid Waste Fund operating costs and revenues under the current allocation methodology.

Known Opposition
Metro posted a public notice and invited public review and comment on the franchise application. The notice was posted to Metro's website and postcards were mailed to approximately 125 property owners and residents within one-quarter mile of the facility. Metro also emailed the notice to 254 community-based organizations, neighborhood associations, local governments, solid waste industry members, and other interested parties.

The 30-day public comment period began on August 15, 2025, and closed on September 15, 2025. During the public comment period, Metro received seven comments from residents and the Argay Terrace Neighborhood Association raising concerns about offsite impacts from the facility. Staff shared the comments with DEQ and City of Portland staff as well as the facility operator. Full comments and responses from Metro, findings from regulatory agencies, and COR's response to comments are included in this staff report as Attachment 1: Public comment report.

BACKGROUND
The applicant, COR, is a local, family-owned company. City of Roses Disposal & Recycling is a waste collection business, established in 1995, and partner company to COR Transfer Station located at 4530 NE 138th Avenue in Portland (Metro Council District 1). COR previously operated a Metro-authorized material recovery facility (MRF) located at 5726 NE 109th Ave. in Portland. COR began operating the MRF at the former location in 2013 and relocated operations to the current site in 2018. In 2019, the Metro Council authorized COR to expand its operations from processing and reloading waste to other transfer stations, to also become a franchised transfer station that transports waste directly to a landfill.

COR leases portions of the 12-acre COR Transfer Station property to non-affiliated tenants. Construction is currently underway by the newest tenant, Circular Action Alliance (CAA), a non-profit Producer Responsibility Organization (PRO) tasked with implementing Oregon's Plastic Pollution and Recycling Modernization Act (RMA) – an Extended Producer Responsibility (EPR) law passed by the Oregon legislature in 2021. The leased interior space will be used by CAA to perform audits of mixed recyclable materials collected throughout Oregon to evaluate program success and remove unacceptable materials (contaminants). By summer of 2026, CAA also plans to open a public collection depot utilizing repurposed shipping containers onsite at COR Transfer Station. COR is also currently partnering with Portland General Electric, Portland Prosper, and the Portland Bureau of Transportation's Parkrose Greenway Project initiative to connect a system of walking and biking trails with plans in development for a future "Cross Levee Trail" along the levee adjacent to its eastern property line.

Since 2018, Metro awarded a total of four Investment and Innovation grants to COR, however only two of these projects were fully funded and completed, while the other two were terminated at COR's request. First, in 2018, Metro awarded $500,000 for infrastructure upgrades and equipment to enhance material recovery operations. The following year, Metro awarded $302,504 to continue

facility and equipment upgrades including installing an elevated sort line to improve staff working conditions; these projects were completed in February 2020. Also in 2019, Metro awarded $65,000 to develop new opportunities for wood waste reuse, but the grant was terminated in 2020 at COR's request, and funds were reallocated to another recipient for that project. In 2023, Metro awarded COR $217,130 for a depackaging machine and building retrofit to increase food waste recovery potential. However, in August 2025, COR notified Metro it would forego the grant because it expects to receive federal funding. As of the date of this report, Metro staff are working with COR to recover approximately $8,000 already disbursed before closing the grant.

The facility currently holds a Metro-issued franchise (F-057-19J) to operate a transfer station authorized to receive solid waste. Under the terms of the existing franchise, COR is authorized to accept up to 73,558 tons of putrescible waste generated from within the Metro region in calendar year 2025. COR also holds a solid waste disposal site permit for a transfer station and material recovery facility (Permit No. 1606) and a 1200-Z stormwater permit (Permit No. 32763) both issued by the Oregon Department of Environmental Quality (DEQ). On August 8, 2025, the applicant filed a complete solid waste facility franchise application accompanied by payment of the requisite application fee of $500. The applicant has not requested any changes to its current authorization.

During the current franchise term (August 14, 2019 to December 31, 2025), Metro staff conducted 18 site inspections as of the date of this report. On June 29, 2021, Metro issued a Notice of Violation (NOV No. 433-21) without civil penalty and with required corrective actions for accepting prohibited waste; eight tons of asbestos-containing waste on April 10, 2021. DEQ issued a warning letter on June 30, 2021, for this same incident. On September 8, 2023, Metro issued a warning letter (No. WL-454-23) for failure to report unusual occurrences, equipment breakdown, to Metro within 24 hours as required. COR resolved both issues and responded to Metro's directives satisfactorily. In September 2025, Metro received a complaint regarding reporting and management of source-separate recyclable materials received at COR Transfer. Metro investigated the complaint and issued a Notice of Violation (NOV-465-25) with civil penalty and additional corrective actions on December 5, 2025.

Staff finds that additional investigation of the franchisee's compliance status is necessary based on findings associated with the violations cited in NOV-465-25. Staff recommends that Metro Council approve a one-year franchise renewal to allow time for Metro to further investigate and evaluate potential compliance issues identified at the facility.

ATTACHMENT

- Attachment 1: Public Comment Report

Public comment report

Attachment 1 to Staff Report for Resolution No. 25-5525

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

December 5, 2025 Prepared by: Lisa Clark

Background
Adoption of Resolution No. 25-5525 will authorize the Chief Operating Officer to issue a renewed solid waste facility franchise to City of Roses Disposal & Recycling, Inc. (COR) for an initial one-year term and Metro Council may extend the term for up to an additional four years based on the results of a compliance evaluation.

On August 8, 2025, the applicant submitted to Metro a complete solid waste facility franchise application accompanied by payment of the appropriate application fee of $500. The applicant did not request any changes to its current authorization.

Public notice and opportunity to comment
Metro posted a public notice and invited public review and comment on the franchise application. The notice was posted to Metro's website and postcards were mailed to approximately 125 property owners and residents within one-quarter mile of the facility. Metro also emailed the notice to 254 community-based organizations, neighborhood associations, local governments, solid waste industry members, and other interested parties.

The 30-day public comment period began on August 15, 2025, and closed on September 15, 2025. Metro received seven comments about the proposed franchise renewal. Metro redacted all personal identifying information, and then shared the comments with COR and relevant jurisdictions including: City of Portland regarding noise concerns, Portland Bureau of Transportation (PBOT) regarding traffic concerns, and Oregon Department of Environmental Quality (DEQ) regarding air pollution concerns. COR Transfer Station also provided a written response to the public comments that Metro received (see page 4).

Summary of written public comments on application
The public comments that Metro received are included in full in this report beginning on page 5. In general, the comments raised concerns in the following two categories:

1. **Livability and offsite impacts**
   - Odors affecting nearby neighborhoods
   - Noise from trucks and equipment
   - Air pollution and health risk concerns from traveling dust plumes caused by grinding materials
   - Visibility of operations and wood stockpiles from offsite
   - Increased traffic and safety risks
   - Historical burden in East Portland
   - Proximity of a transfer station to residential areas

2. **Safety and community resources**
   - Concern about risk of hazardous materials in construction debris
   - Request for complaint resources and data

Metro response #1 – Comments about livability and offsite impacts
The facility is located in an industrial zone and has obtained the requisite land use approval from the City of Portland. The facility is subject to the City's land use determinations and other zoning

and permitting requirements including noise and traffic allowances. Metro relies on, and coordinates closely with, local and State agencies to ensure comprehensive oversight of facility operations. Staff shared the input that Metro received during the public comment period related to noise, air quality, and traffic concerns with the applicable regulatory agencies including DEQ, the City of Portland's Property Compliance Division and Bureau of Transportation.

Metro is responsible for planning, managing and overseeing the region's solid waste system. It has an obligation to the public to ensure that the waste intended for reuse, recycling and other purposes is handled properly and sent to appropriate markets, and that all other waste is safely managed and disposed.

Metro is committed to effectively monitoring and regulating solid waste facilities to ensure that waste is properly managed and to minimize impacts on neighboring properties. Metro routinely performs inspections at the facility to monitor compliance and coordinate with other regulatory agencies, including DEQ and City of Portland, to address and resolve any issues identified.

The proposed solid waste franchise carries forward requirements for the facility to control and minimize off-site impacts. In particular, the proposed franchise requires the operator to meet performance standards in three areas:

1. **Environment:** The franchisee must design and operate the facility to avoid undue threats to the environment including, but not limited to, stormwater or groundwater contamination, air pollution and improper acceptance and management of hazardous waste, asbestos and other prohibited wastes.
2. **Health and safety:** The franchisee must design and operate the facility to avoid conditions that may degrade public health and safety including, but not limited to, fires, vectors, pathogens and airborne debris.
3. **Nuisances**: The franchisee must design and operate the facility to avoid nuisance conditions including, but not limited to, litter, dust, odors and noise.

Additionally, the proposed franchise carries forward requirements that the facility operate in a manner that controls and minimizes the generation of odors, dust blowing off the premises, and minimizes any noise sufficient to cause adverse off-site impacts. As described in the operating plan, control measures include performing most waste activities inside the transfer building, using misting systems to suppress dust and odors, sweeping paved areas daily, and maintaining vegetative buffers along the southern and western edges of the property to enhance screening and reduce visual impacts.

In Spring 2024, COR worked with the City of Portland Bureau of Environmental Services' (BES) Tree Program to complete a project adding 70 fast growing trees along the southern and western edges of the COR Transfer Station property to supplement previously planted arbor vitae. Tree selection and placement decisions were made by City of Portland BES Tree Program's program manager and considerations made during the selection process included drought and heat tolerance, nativity to the area, predominantly evergreens over deciduous, and denseness of foliage. The addition of the fast-growing trees planted will help to reduce visibility of operations from the road, buffer noise from facility operations and minimize dust traveling across Sandy Blvd. The City of Portland's Property Compliance Division reported no environmental noise cases were filed

during the current term of the COR Transfer Station franchise (August 14, 2019 to December 31, 2025).

The proposed franchise carries forward requirements that the facility provide access roads of sufficient capacity to accommodate all on-site vehicular traffic, including parking, and maintain access roads to allow the orderly egress and ingress of traffic during facility operation. The franchisee must also take reasonable steps to remind persons delivering solid waste to the facility that vehicles must not park or queue on public streets or roads except under emergency conditions or as provided by local traffic ordinances. The City of Portland reported there is no history of land use or building permit compliance issues related to the facility. In addition, the City has not conducted any new traffic analysis or other findings related to the facility.

This facility is located at a site that was previously occupied by several industrial, commercial, and waste related businesses since 1959. The City of Portland granted conditional use approval for the proposed waste related activities in this industrial zone. The site was formerly occupied by Oregon Recycling Systems which operated a material recovery facility from 1995-2016. COR selected this site for its industrial zoning between three freight heavy streets and its historical use as a solid waste facility. The site has undergone significant site improvements under COR's ownership.

Solid waste facilities in the Metro region, such as COR Transfer Station, are required to collect a community enhancement fee of $1 on each ton of putrescible solid waste they receive. The purpose of this fee is to pay for rehabilitation and enhancement projects in areas surrounding the site. COR has been collecting the enhancement fee since 2019 for grant programs that award funds for use in the surrounding community. The grant review committee is led by Elevate Oregon, which is a youth-led committee, which selects funded projects each cycle. On average over the past few years, COR has collected approximately $120K annually as part of Metro's community enhancement grant program. In 2024, COR also began collecting an additional $1.00 for each ton of non-putrescible waste at the facility as part of a Metro tonnage allocation program.

Metro response #2 – Comments about safety and community resources
The proposed franchise prohibits acceptance of hazardous waste. The proposed franchise also requires COR to screen for unacceptable materials through documentation review prior to acceptance at the transfer station visual screening of each load. If prohibited materials are received inadvertently, the facility must properly handle the material, document the load, and notify the customer. COR is responsible for managing all waste received at the facility as described in an approved operating plan. Metro's inspectors regularly monitor compliance and collaborate with other regulatory agencies, including DEQ and the City of Portland, to provide comprehensive oversight.

The proposed franchise carries forward requirements that the operator log and respond to all complaints in a timely manner. The franchisee must also maintain complaint log entries for one year and make them available to Metro. In response to public comments submitted during this comment period, on October 31, 2025, COR launched a new publicly accessible customer portal where comments and complaints can be submitted directly to COR by visiting https://cordr.com/comments-concerns/.

In addition to performing routine site inspections, Metro investigates facility complaints and works with the operator to address issues and concerns that arise. The public can share feedback,

including complaints, to Metro using an online Solid waste facility complaint form. The public may also report concerns to DEQ, the City of Portland, or directly to the facility operator.

In October 2022, Metro received one odor complaint from a local resident related to COR, and the facility reported receiving seven complaints from three individuals that month. The franchisee reported that it followed up with the concerned individuals, increased the percentage of odor neutralizer in its misting system, and performed increased odor monitoring surveys. Metro also increased odor monitoring during that time.

DEQ and City of Portland reported to Metro that there are no current enforcement or compliance issues associated with this site.

COR Transfer Station's response to public comments

"Thank you to the community for taking the time to succinctly address concerns with COR's solid waste facility franchise renewal application. We recognize the inherent challenges of businesses operating within industrial zoning that is located adjacent to residential zoning. This joining of zoning types is seen throughout the Sandy corridor, where we are located, and continues west down Lombard. As such, we strive to exceed regulatory requirements to mitigate any impacts from our operations on to our adjoining neighbors.

Industrial operations often necessitate the use of heavy machinery, which can be a cause of nuisance noise. Knowing this, COR is proud to note that per the City of Portland Permitting & Development Bureau, there have been no recorded noise complaints within half a mile of our facility, nor have any noise complaints been received directly by COR, within the past year. Additionally, to aid in the creation of a visual and noise barrier, COR has recently planted 70 fast growing trees along the southern and western edges of the property to supplement the existing arbor vitae. Regardless, COR will continue to monitor and reduce noise generated by our operation where possible.

Over the past several years, COR has made numerous upgrades to its dust suppression and odor-neutralizing misting system, ensuring that both systems are in compliance with Metro regulations. Incorporating feedback from our neighbors, COR will continue to pursue new and innovative solutions to better accommodate our surrounding community stakeholders.

COR strives to be a steward of our community and welcomes further dialogue with community members. We wish to engage directly with community members with complaints, both to explain our operation and pursue solutions that allow us to coexist in east Portland. COR will be instituting an online comment portal at cordr.com to provide the community with an easily accessible portal to relay comments, complaints, and concerns.

COR takes great pride in operating within the Argay Terrace Neighborhood. We hear the comments coming from our neighbors and we will continually strive to make this neighborhood better, in collaboration with this community."

Public Comments

Comments are listed verbatim and in the order they were received.

Comment #1

"Hi - I'm writing to oppose the renewal of the COR Transfer Stations application. As a resident in the

Argay neighborhood, which is right across Sandy Blvd to the south, this station is problematic in many ways. It's noisy. Trucks are backing up and their back up beeps are heard early in the morning EVERY DAY. For those who live right across the street, it is very loud. The traffic of the trucks. This station is off of Sandy Blvd, a stones throw from a busy Costco, and a new warehouse facility, and a busy rail road route (which slows/stops traffic often). The large trucks that come and go from the facility have to navigate all the traffic on NE 138th Ave. This station also produces a lot of dust. I've driven through dust traveling from the bays while I'm traveling home on Sandy Blvd. It travels right across Sandy Blvd to the apartments and restaurants across the way. This station would be better off moving to an area where it is easier (safer) for its trucks to come and go more easily and it's away from a large residential area."

Comment #2
"I live in the large apartment complex directly across the street from the facility. I was here for the initial approval in 2019 too. I think the facility creates a worrying amount of air pollution so close to so many people, including lots of families with children. You can see a cloud of particulates on a regular basis. I hope Metro investigates the air pollution for safety before approving the renewal application."

Comment #3
"The City of Roses Disposal and Recycling Facility is a permitted facility within the City of Portland's General Industrial Zone (IG2). How a Municipal Recycling Facility (MRF) within an Industrial Zone came to be located literally across the street from a Residential Zones (RM1, R7, RMP), including a housing tract that has been there for over 40 years, is the story of East Portland and the City's disregard for it.

However, simply because it is a permitted use does not give license to Metro, the County or the City to disregard the pollution concerns of the immediate residential neighbors. As the picture featured on Metro's own Public Notice flyer soliciting comments on COR's franchise renewal application shows, the bays where the material is loaded and unloaded are open and face to the south towards Sandy Blvd and residences. Given a southerly wind or an inversion zone, odors and particulates from the material in those bays drift across Sandy towards people's houses and apartments in spite of CORs assertion that they have adequate controls in place. In addition to the putrescible and non-putrescible stored within the bays, there is also a large wood bunker that can reach 15' in height, and often does. When that wood material is being grinded or otherwise recycled, a large plume of wood debris and particulates can be seen in spite of COR's statement that they dampen the wood to reduce that pollution. Again, given wind and inversion conditions that air-borne material drifts across Sandy Blvd to the residential neighbors across the street.

The last thing I'd like to mention is the inadequacy of the vegetative buffers along Sandy that should provide a visual barrier as well as a buffer to help mitigate odors that escape the facility. A quick drive down Sandy Blvd makes is obvious that the barrier in no way provides a visual screen or could serve as a pollution sink. Of course, it does take time for trees and other shrubs (e.g., arbor vitae) to grow, but quicker growing plants could have been used had the idea of a buffer been taken seriously. As it is, COR could build a wall/screen along Sandy Blvd to screen the facility until such time as the plants reach the appropriate height and spread.

It would also be helpful to ease residents' concerns about the pollution impacts of COR if Metro would provide air quality data from random inspections. Simply assuring the public that there is no cause for concern rings hollow without supporting data. Or perhaps Metro could request that COR

release the complaints they have accumulated over the last 5 years, which they say they have kept, so the public could see what the concerns are and how they have been addressed."

Comment #4
"I walk west on Sandy Blvd from my home on 147th ave and the smell from this facility on week-ends especially on three-day week-ends is horrible in summer. There is a year-round dust problem year-round. 503 475-2132"

Comment #5
"The COR facility does not manage the dust or smell from their facility like they have written their agreement to do so. You can see (and cough through) the dust multiple times a week. I've called a few times for smell and everyone acts like it is impossible for the smell to come from their facility. Yet, we walk or drive by on sandy and it's clear as day.

We need this facility to CARE and do what's right without us having to contact them to uphold their agreement. There also needs to be stronger repercussions when they do not do so and they leave neighbors to fight yet another fight for clean air.

Please refrain from renewing their permit until they have a better system to ensure they follow rules and pre written agreements."

Comment #6
"Hello,
The City of Roses waste facility is the only putrescible waste transfer station in the METRO system that is next to homes. While the use is allowed by right it is reasonable to expect the operator and METRO to be aware of the extraordinary location of the facility and conscious of the potential health and livability impacts this facility has on neighbors. It would be helpful for METRO to consider, by placing the only putrescible waste facility next to neighbors in one of the most diverse neighborhoods in Portland, that it has an obligation outlined in its 2030 Regional Waste Plan principles to the neighborhood. Specifically - Community Restoration: "Take action to repair past harms and disproportionate impacts by the regional solid waste system." It will come to no Portlander's surprise the demographics of neighbors where this facility operates. METRO'S Regional Waste Plan principles would assure the surrounding neighbors that robust measures are being taken to limit "disproportionate impacts" when considering the permitting of this facility. Below are outlined instances where METRO could choose to follow its own principles and improve impacts for neighbors.

The narrative found in the COR permit application does not correspond to the lived experience of those who live next to the facility.

Attachment B - Facility design and Plan

3.d. " An evergreen hedge has been planted along the Southern boundary of the site. The fencing and hedge help contain litter, reduce noise and block the potential for unsightly conditions."

While there are evergreen plantings as required by City of Portland zoning, to say that it helps to reduce noise and blocks unsightly conditions is not what neighbors to the facility experience. An example of the evergreens can be found in the attached photo. As can be clearly seen it is not helping to block …unsightly conditions. The bays where processing takes place face south and are

open. The bays directly face the apartment homes across the street. The hedge neither helps in blocking potential unsightly conditions, noise nor not act as a robust barrier to dust and particles.

Attachment C - Operating Plan

c. ii. Watering. "…eliminate dust generation on site that could potentially spread to neighboring properties." This is not a true statement. Wood dust is not eliminated through the system in place. Wood dust from the property can be regularly seen when wood grinding is taking place. As can be seen from pictures of the facility - the woodpile is in the far southern area of the facility closest to homes. The grinding takes place on the far southern end of the property closest to where neighbors live. There have been numerous incidents when the wood grinding results in wood dust/particles that are clearly visible when driving along Sandy Blvd. This dust and particles travels to nearby homes when there is a wind in the appropriate direction, when trains pass and kick up the fallen dust and when there is an inversion layer. If there is a robust system in place repeat incidents of seeing the dust would not be possible.

Other dust does come from the facility as seen in the attached photo taken September 9, 2025 - 1:25p. This is clearly dust traveling across the facility and not the mist that is often seen from the interior roof of the building that is part of the odor minimizing operation. To hazard a guess this is dust from concrete being loaded in dumpsters. Again, the placement of this is in the Southernmost area of the property closest to homes.

Other concerns: Despite this facility being next door to where people live it is left to the "knowing" of the operator for assurance that construction materials being recycled are not hazardous. If you look at the wood pile in google maps for 2024, there is clearly visible paint. What are the assurances for the surrounding community that the content of that paint is safe once it becomes dust and travels outside the facility? As outlined in COR's operating plan the best practices are "extremely important our operations do not generate negative outputs to our neighbors and public." Yet, beyond complaints from neighbors there appears to be no monitoring of negative outputs beyond the facilities boundaries.

As y'all are the experts, welcome any suggested remedies for the above outcomes. From a layman's view - more robust monitoring of the facility by METRO would be appreciated.

Here are some suggestions:
More robust systems to manage dust from wood and concrete so it does not travel off premises.
A higher evergreen hedge along the southern boundary that truly does act as a barrier as outlined in the operation plan.
An easily accessible way for neighbors to file complaints with the company and METRO. A mailing with such information to the surrounding neighbors in various languages.
METRO robust monitoring of construction debris.

This facility is the only putrescible waste transfer station next to homes, where people live. This is a METRO permitted facility. METRO can help neighbors, ensuring this extraordinary placement of this facility has minimal impact on nearby homes and the health of the people who live there. Of course we all want good jobs for our regional economy but those jobs should not come with disproportionate health and livability impacts to neighbors.

Sincerely,

Lin Felton

PS: ignore references to attached photos as this does not appear possible in the comment form."

Comment #6a
Metro staff contacted commentor #6 to request for inclusion the images intended to be submitted as part of this public comment. The photos were taken by an Argay neighbor and descriptions are included below.

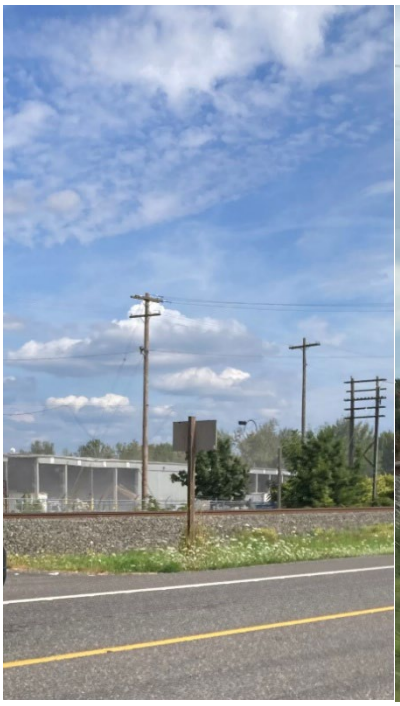


Image 1, 6a – Photo to illustrate concerns of unsightly conditions in plain view, taken from Sandy Blvd. facing NE toward COR Transfer Station on September 9, 2025 at 1:25 p.m.



Image 2, 6a – Photo to illustrate concern of the woodpile location on the southside of the facility, taken from the northside of Sandy Blvd. facing N toward COR Transfer Station on October 30, 2025 at 4:55 p.m.



Image 3, 6a – Photo to illustrate concern of dust traveling across the facility, taken from Sandy Blvd. facing NE toward COR Transfer Station on September 9, 2025 at 1:25 p.m.

Comment #7
"From the Argay Terrace Neighborhood Association Board

The City of Roses waste facility is the only putrescible waste transfer station in the METRO system located directly next to homes. While this use is allowed by right, it is reasonable to expect the operator and METRO to recognize the extraordinary placement of the facility and to be mindful of the potential health and livability impacts it creates for neighbors.

By choosing to locate the only putrescible waste facility next to one of Portland's most diverse neighborhoods, METRO has an obligation - outlined in its 2030 Regional Waste Plan principles - to the surrounding community. Specifically, under Community Restoration: "Take action to repair past harms and disproportionate impacts by the regional solid waste system."
It will come as no surprise that the demographics of the neighbors where this facility operates reflect communities historically burdened by such siting decisions. METRO's Regional Waste Plan principles should reassure neighbors that strong measures will be taken to prevent disproportionate impacts when considering the permitting of this facility. Below are several examples where METRO could follow its own principles and improve outcomes for the surrounding community.

The narrative in the COR permit application does not match the lived experience of neighbors.

Attachment B – Facility Design and Plan
3.d. "An evergreen hedge has been planted along the southern boundary of the site. The fencing and hedge help contain litter, reduce noise and block the potential for unsightly conditions."
While there are evergreen plantings, as required by City of Portland zoning, they do not function as described. As shown in the attached photo, the hedge does little to block unsightly conditions. The bays where processing occurs face south and are fully open, directly facing apartment homes across the street. The hedge does not reduce noise, block views, or act as a barrier to dust and particles.

Attachment C – Operating Plan
c. ii. Watering. "...eliminate dust generation on site that could potentially spread to neighboring properties."
This statement is not consistent with lived experience. Wood dust is not eliminated. When grinding occurs, dust is regularly visible, including from Sandy Blvd. The woodpile and grinding activity are located at the far southern end of the property—closest to homes. Dust travels to nearby residences when the wind shifts, when trains pass and stir it up, or when an inversion layer holds it down. If a robust system were in place, these repeated incidents would not occur.

Additional dust is generated from other operations. For example, in the attached photo taken September 9, 2025 at 1:25 p.m., dust is seen traveling across the facility—clearly not the mist from odor control systems. This appears to be dust from concrete loading. Again, this activity occurs at the southernmost part of the property, closest to homes.

Other discrepancies: The application map lists the wood bunker as a 15' maximum pile height, but Google Maps imagery from 2025 shows the pile well above 15 feet.
Other concerns: Although this facility operates directly next to homes, assurance that recycled construction materials are non-hazardous is left to the operator's "knowing." For example, in Google Maps imagery from 2024, paint is clearly visible on the woodpile. What assurances exist that this paint is safe once ground into dust and released into the air? The COR operating plan states: "It is extremely important our operations do not generate negative outputs to our neighbors and public." Yet beyond neighbor complaints, there appears to be no external monitoring of negative outputs beyond the facility's boundaries.

As you are the experts, we welcome suggested remedies for these outcomes. From a neighborhood perspective, increased METRO oversight would be deeply appreciated.

We respectfully request:
• More effective systems to control dust from wood and concrete, preventing it from traveling off-

site.
• A taller, more substantial evergreen hedge along the southern boundary that functions as a true barrier.
• An accessible and visible way for neighbors to file complaints with both the company and METRO, including a mailed notice in multiple languages.
• Robust monitoring of construction debris by METRO.

This is the only putrescible waste transfer station sited next to homes, where people live. Because it operates under a METRO permit, METRO has the ability to ensure this extraordinary placement comes with minimal impact to nearby homes and the health of residents. We all value good jobs for our regional economy, but those jobs should not come at the expense of disproportionate impacts on neighboring families.

Sincerely,
Argay Terrace Neighborhood Association"

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

Metro

Agenda #: 5.3

File #: RES 25-5535 **Agenda Date:**12/18/2025

Resolution No. 25-5535 For the Purpose of Adopting the 2025 Regional Housing Coordination Strategy

Emily Lieb (she/her), Housing Department Policy Director
Eryn Kehe (she/her), Urban Policy and Development Manager

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE 2025 REGIONAL HOUSING COORDINATION STRATEGY	)))))	RESOLUTION NO. 25-5535 Introduced by Chief Operating Officer Marissa Madrigal in concurrence with Council President Lynn Peterson

WHEREAS, the State of Oregon has implemented the Oregon Housing Needs Analysis (OHNA) program to encourage the production of housing that meets the needs of current and future households; and

WHEREAS, the OHNA program requires Metro to adopt a regional housing coordination strategy no later than one year after the deadline for completing a housing capacity determination under ORS 197A.350; and

WHEREAS, on December 5, 2024, the Metro Council adopted the 2024 Urban Growth Report via Ordinance No. 24-1520, thereby completing its statutorily required housing capacity determination; and

WHEREAS, according to the schedule adopted by the Oregon Land Conservation and Development Commission, Metro must adopt the 2025 Regional Housing Coordination Strategy by December 31, 2025; and

WHEREAS, Metro has undertaken extensive engagement with local jurisdictions, housing providers, developers, and a variety of interest groups and housing experts to identify barriers to housing production and actions for possible inclusion in the 2025 Regional Housing Coordination Strategy; and

WHEREAS, on September 15, 2025, Metro released a draft 2025 Regional Housing Coordination Strategy for public review by interested parties; and

WHEREAS, Metro held a public comment period on the draft Regional Housing Coordination Strategy from September 15, 2025 through October 15, 2025; and

WHEREAS, the Metro Committee on Racial Equity discussed the 2025 Regional Housing Coordination Strategy on two occasions, providing staff with feedback on a preliminary list of actions and the framework for evaluating actions; and

WHEREAS, the Metro Technical Advisory Committee discussed the Regional Housing Coordination Strategy on six occasions and provided recommendations to the Metro Policy Advisory Committee; and

WHEREAS, the Metro Policy Advisory Committee discussed the Regional Housing Coordination Strategy on six occasions and recommends that the Metro Council adopt the 2025 Regional Housing Coordination Strategy; and

WHEREAS, the 2025 Regional Housing Coordination Strategy addresses the requirements specified in ORS 197A.365; now therefore

BE IT RESOLVED that the Metro Council adopts the 2025 Regional Housing Coordination Strategy attached to this resolution as Exhibit A.

ADOPTED by the Metro Council this 18th day of December 2025.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Exhibit A

Regional Housing Coordination Strategy

December 2025

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 that requires that no person be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination on the basis of race, color or national origin under any program or activity for which Metro receives federal financial assistance.

Metro fully complies with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act that requires that no otherwise qualified individual with a disability be excluded from the participation in, be denied the benefits of, or be subjected to discrimination solely by reason of their disability under any program or activity for which Metro receives federal financial assistance. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit oregonmetro.gov/civilrights or call 503-797-1890.

Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1700 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at trimet.org.

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LIST OF ACRONYMS

The following is a list of acronyms used throughout this document.

AFFH:	Affirmatively Furthering Fair Housing
AMI:	Area median income
CORE:	(Metro) Committee on Racial Equity
HPS:	Housing Production Strategy
HRAC:	Homelessness Research and Action Collaborative (at Portland State University)
LIHTC:	Low-Income Housing Tax Credits
MPAC:	Metro Policy Advisory Committee
MTAC:	Metro Technical Advisory Committee
OHCS:	Oregon Housing and Community Services
OHNA:	Oregon Housing Needs Analysis program
PITC:	Point in Time Count
PSH:	Permanent Supportive Housing
RHCS:	Regional Housing Coordination Strategy
RLIS:	Regional Land Information System
SDC:	System development charge
SHS:	Supportive Housing Services (Metro's voter-approved fund)
UGB:	Urban growth boundary
UGR:	Urban growth report

EXECUTIVE SUMMARY

The causes of the housing crisis that greater Portland faces are entrenched and complex, requiring a response that is both urgent and robust. Market conditions, zoning limitations and other obstacles have resulted in years of underproduction across both regulated affordable housing and market-rate housing. The result is a severe housing shortage that has driven up consumer costs and pushed more people into unstable living situations. Direct consequences of this housing shortage have become ubiquitous: more than a thousand evictions are filed each month, homelessness is rising and highly visible across many communities, and disparities among who can and cannot afford housing continue to grow. But with a collaborative regional approach, Metro has identified pathways to creating more housing of all types and at all price points.

Demographic shifts such as an aging population, an increase in smaller, one-and-two-person households, and an increase in rent-burdened households mean that a broader variety of homes is needed. More deeply affordable, accessible and family-sized rental units are needed, as is a broader range of homeownership opportunities. Additionally, coordination and alignment across housing and homeless services systems must improve to ensure that individuals and families exiting homelessness are able to access housing that is designed and operated to meet their needs.

While housing production in greater Portland picked up after the Great Recession, it never fully caught up with population growth and today it is slowing again. Market conditions, including high costs for labor, materials, land and borrowing, as well as negative perceptions of the region among outside investors, continue to depress housing production. These dynamics have particularly hampered the production of large, complex projects like apartment developments. Additionally, the new pipes, roads, parks and schools that are needed to support housing growth push housing prices up even more.

Local governments have responded. Some have reformed zoning to allow for a greater variety of housing types and these changes have begun to show results. But more work is needed to overcome the unprecedented challenges facing the housing market and to ensure that good intentions translate into real housing outcomes.

The regional affordable housing bond voters passed in 2018 serves as an example of where coordination has been effective. On track to provide 5,600 new affordable homes—1,700 more than initially projected—the bond has supported housing investments that are distributed evenly across the region rather than concentrated in the urban core. These homes are also designed and operated in partnership with community organizations. In many cases, wraparound services funded through another regional measure, the supportive housing services tax, help to meet a range of needs. More than half of the bond-funded homes are sized for families, and about 40 percent are deeply affordable for households earning a third or less of the area's median income.

However, with these bond dollars—and the Portland affordable housing bond dollars—almost completely spent, greater Portland is approaching an affordable housing production cliff.

Metro's current estimates show that greater Portland still needs 27,000 more homes to support its existing population and an additional 151,000 homes to keep up with forecasted population growth over the next 20 years. Meeting that overall need for 178,000 more homes will require the construction of an average of about 9,000 more homes every year. About two-thirds of those homes need to be affordable for households with low or very low incomes. Overcoming these challenges will require sustained leadership, collaboration among every level of government, and a collective commitment to building more homes of all types and at all income levels.

This document provides an overview of the region's housing shortage and the barriers that are impacting housing production. It also provides a summary of results from engagement and the evaluation that Metro conducted to identify and prioritize recommended actions that Metro will undertake to address the shortage.

New actions to be taken by Metro

	ID	Action	Impact on development of needed housing	Impact on housing affordability or choice
Accelerate housing production	1	Create a new **housing pre-development and technical assistance grant program** for site specific housing development. May include site surveys, feasibility studies, design, permitting, etc.	Low	Low
	2	Expand **resources available for brownfield assessment** and explore grant opportunities for small scale remediation that leads to middle housing and multi-family housing development**.**	Medium	Medium
	3	Funding and support for **local housing production strategy implementation**	Medium	Low
	4	Consider developing a **regional pool of housing professionals for technical assistance and staffing support** to smaller jurisdictions to support planning and implementation related to housing production, affordability and choice.	Medium	Low
Research and assessment	5	Evaluate lessons learned and effective practices from implementation of the 2018 Affordable Housing Bond; research models and best practices and develop and share recommendations with state and local funders to **strengthen fair housing and equitable access to affordable housing.** Incorporate recommendations into the implementation of any future Metro affordable housing funding implementation.	Low to none	Low to Medium
	6	Building upon lessons learned and best practices from the 2018 Metro Affordable Housing Bond and Metro's Transit Oriented Development (TOD) grant program, evaluate and advance opportunities to **strengthen requirements and incentives for community participation and co-design in the development and operations of Metro funded affordable housing**, to support the creation of housing that is designed and operated to be culturally responsive to the needs of historically marginalized populations. Identify opportunities for Metro to support capacity building for community based and culturally specific organizations to participate in affordable housing development and operations through future housing funding allocation and/or program requirements or criteria that incentivize partnerships that benefit community based and culturally specific organizations.	Low to none	Low to Medium
	7	Research, evaluate and identify opportunities to advance **innovative and non-LIHTC approaches to housing** development/construction, financing, and ownership that present **opportunities to reduce costs, diversify housing types, and strengthen outcomes** for groups most impacted by housing instability. This research is intended to build upon previous Metro research and engagement in 2024 to evaluate	Medium	Medium

New actions to be taken by Metro

	ID	Action	Impact on development of needed housing	Impact on housing affordability or choice
		affordable housing investment opportunities. The 2024 study scope included consideration of rental housing development gap funding, acquisition/conversion, preservation, and complementary investments such as land acquisition/banking, predevelopment funding, and operating support and risk mitigation, as summarized in Metro's report, Evaluation of Affordable Housing Investment Opportunities. Based on feedback collected through the 2024 engagement process as well as 2025 engagement related to the RHCS, Metro has identified additional areas of research/engagement related to future affordable housing funding opportunities. This action seeks to fill gaps in previously conducted research by exploring and evaluating areas of innovation not previously explored, including: • Modular and manufactured housing and cross-laminated timber and smaller or expandable designs • **Social housing and alternative ownership** models, including CLT and resident-owned multi-family housing models • Innovative financing approaches to support development and operations of **smaller scale (<20 unit) building types**, including PSH Assess barriers and identify opportunities to pilot or scale up innovative approaches; approach would include engagement with public, private, and philanthropic partners to support coordinated research, development and investment strategies.		
	8	Conduct an **assessment of middle housing** in the region to identify best practices and common barriers.	Low	Low
Convene and coordinate	9	Develop or support the development of a coordinated **affordable housing operational stabilization strategy** to respond to industry-wide challenges due to rising operational costs, increased resident needs, and lack of coordination/alignment with homeless and supportive services. This strategy will result in a coordinated set of concrete actions for Metro and state/local partners to take to address operational stabilization needs, potentially including but not limited to: adjustments or flexibility to established regulatory agreements, coordinated actions to address vacancies and streamlined referrals, and coordination to secure new funding for operational stabilization.	Medium	Medium to High

New actions to be taken by Metro

	ID	Action	Impact on development of needed housing	Impact on housing affordability or choice
	10	**Evaluate and improve voucher and other rental assistance policies and implementation** to address portability challenges, shifting market conditions impacting affordable housing, and to connect available vouchers with vacant regulated affordable housing units.	Low	Medium
New tools	11	Develop a centralized **regional affordable housing inventory and listing service** to support housing navigators and seekers in connecting with information about available affordable housing units that meet their needs across the region.	Low	Medium
	12	Develop a plan for a **regional land bank** that outlines the necessary legal framework, governance structures, and operational guidelines to support cross-sector collaboration and investment. Define clear policy priorities, including considerations related to Affirmatively Furthering Fair Housing, market conditions and funding opportunities.	Low	Low
	13	Explore how to create a **permitting dashboard** to track trends across the region.	Low	Low
Policy	14	Begin a Metro **Urban Growth Management Functional Plan audit and cleanup** of housing-related titles to align with new State requirements and regional priorities as identified in the 2027 Future Vision.	Low	Low
Funding and cross-sector collaboration	15	Convene jurisdictional partners to develop a **coordinated legislative agenda for state and federal housing/homelessness resources**, including a regional priority to identify funding for infrastructure. The agenda would be updated as needed to meet changing regional needs (or every six years) and guided by engagement with appropriate Metro advisory committees for land use, housing and homelessness, engagement with jurisdictions, and consultation with interested Tribes.	Medium to High	Medium
	16	Consider the viability and feasibility of **new funding for affordable housing development and preservation**. Ensure that any new funding framework is informed by public opinion research and engagement with public, private and nonprofit leaders as well as analysis of housing needs and market conditions, and lessons learned from the 2018 regional housing bond and best practices from other regions, including evaluating opportunities to strengthen racial equity, fair housing and community resilience outcomes and alignment/integration with homeless and supportive housing services.	High	High

Regional Housing Coordination Strategy background

Directed by new requirements under the Oregon Housing Needs Analysis (OHNA) program, jurisdictions around Oregon are developing Housing Production Strategies that are intended to address housing production targets set by the state. [1] Metro, with its unique role as an elected regional government, has a new responsibility under the OHNA program to adopt a Regional Housing Coordination Strategy (RHCS) every six years. This RHCS identifies the actions that Metro will take over the next six years to advance housing production, access to opportunity, affordability, and choice in greater Portland. These new actions build on Metro's long history of working to create thriving communities, and more recently, its success in large-scale affordable housing development and supportive housing services investments.

Consistent with the theme of coordination, two Metro departments—the Housing Department and the Planning, Development, and Research Department—collaborated to develop the RHCS. The actions identified in this RHCS reflect the diverse expertise and areas of focus of those two departments, the Metro Council's leadership, and extensive input from local jurisdictions, housing developers, owner/operators, and industry leaders, as well as coalitions and organizations engaged in housing advocacy.

Purpose of the RHCS

This strategy emphasizes Metro's critical role in advancing regional solutions and supporting the efforts of cities and counties in accelerating housing production. Though Metro does not zone land or build homes, Metro plays an important part in helping to create the conditions for success, addressing gaps in capacity and resources, and supporting coordination and alignment at the state and local level and across public, private and nonprofit sectors. This RHCS aims to encourage the production and preservation of housing that addresses the following goals, as defined in statutory language related to the OHNA:

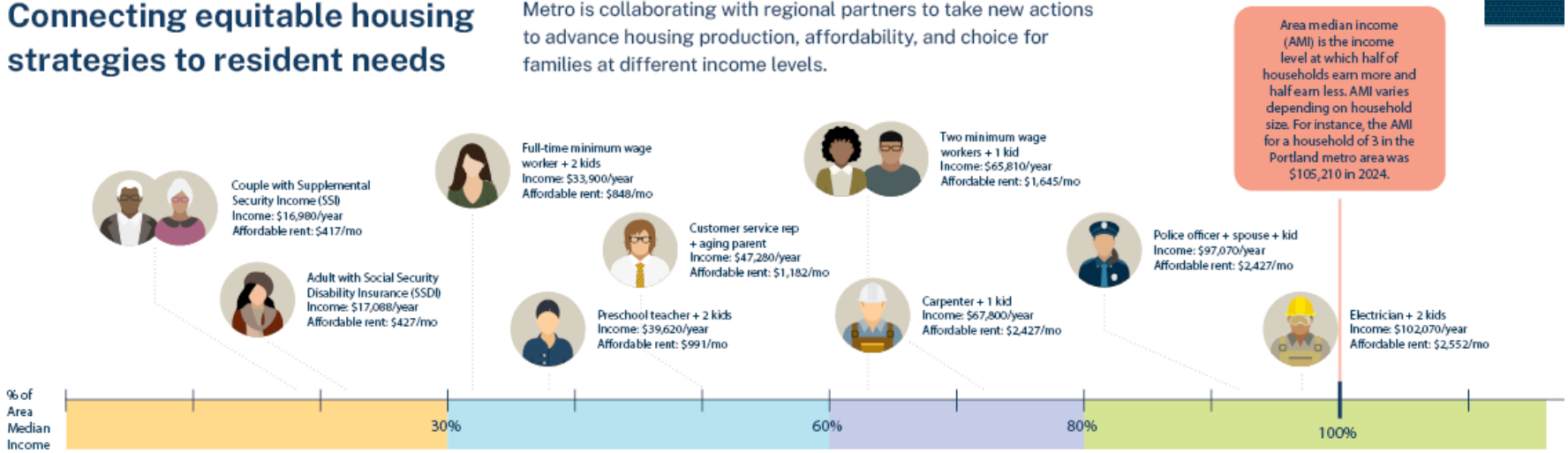
- Diversity of housing types and affordability levels
- Housing that is high quality and physically accessible
- Housing with access to economic opportunities, services, and amenities
- Promotion of fair housing

[1] The state referenced Metro's 2024 Urban Growth Report assessment of housing needs when setting these targets for Metro area jurisdictions.

REGIONAL HOUSING COORDINATION STRATEGY

Connecting equitable housing strategies to resident needs

Metro is collaborating with regional partners to take new actions to advance housing production, affordability, and choice for families at different income levels.



0-30% AMI

The private market does not provide housing affordable at this level. Units require deep construction subsidies and ongoing operating support, such as rental assistance vouchers, to remain affordable. Many households also benefit from on-site support services, which require additional funding or resources.

30-60% AMI

The private market does not provide housing at this income level. Regulated affordable units require construction subsidies but can typically operate without ongoing rental vouchers.

60-80% AMI

The private market provides limited new rental housing in this range, generally smaller units such as studios and one- bedrooms. This group also relies heavily on older rental housing sotck that has "filtered" down to become more affordable.

80-120% AMI

The private market provides rental units in a wider variety of sizes at this income level. It also begins to offer limited ownership opportunities, primarily condominiums, though the vast majority of options remain rentals.

The RHCS actions listed here will be advanced over the next six years (2026-2031)

0-30% AMI

ACTION #10: Improvements to voucher and other rental assistance policies and implementation.

0-80% AMI

ACTION #16: Affordable housing funding feasability

ACTION #9: Affordable housing operational stabilization strategy

ACTION #11: Regional affordable housing inventory and listing service

ACTION #5: Equitable access to regulated affordable housing

ACTION #6: Community co-design

ACTION #7: Innovative approaches

0-120% AMI

ACTION #1: Housing pre-development and technical assistance

ACTION #3: Local HPS implementation funding and support

ACTION #12: Regional land bank plan

60-120% AMI

ACTION #8: Middle housing assessment

ALL INCOMES

ACTION #2: Expand funding for the brownfield grant program

ACTION #4: Regionally available pool of housing professionals for technical assistance and staffing support

ACTION #13: Permitting dashboard

ACTION #14: Urban growth management functional plan housing audit

ACTION #15: Coordinated advocacy agenda

Income data source: HUD 2024 Median Income Percentages for the Portland Vancouver-Hillsboro MSA, SSDI 2024, SSI 2024, BLS May 2024. Affordable monthly housing costs are calculated at 30 percent of monthly income.

Equity considerations

Equitable access to affordable, accessible, well-located housing is central to people's prosperity, stability and quality of life. This project worked to keep racial equity front and center throughout by applying Metro's Racial Equity Framework, in alignment with Metro's Strategic Plan to Advance Racial Equity, Diversity, and Inclusion. The Framework guided project scoping, data collection, engagement, identification of actions in this RHCS, and evaluation of those actions.

Engagement

Because this RHCS is intended to coordinate and support the work of other jurisdictions and partners, the actions included in this document were identified in close collaboration with an Implementers Work Group consisting of local planning and housing staff, focus groups with industry and community leaders, and Metro's standing committees, including the Metro Technical Advisory Committee (MTAC), the Metro Policy Advisory Committee (MPAC), and the Metro Committee on Racial Equity (CORE).

Types of actions in this RHCS

Actions included in this RHCS fall into several general categories, including:

- Communications and engagement
- Convening
- Data and analysis
- Emerging best practices and innovation
- Funding and investments
- Legislative advocacy
- Partnerships and collaboration
- Regulation and regional policies
- Technical assistance and capacity building

Next steps

The challenge of creating and sustaining housing options that meet the diverse needs, household configurations, and income levels of people in our region is too big for any single jurisdiction. Collective efforts are needed now more than ever. This RHCS provides a framework for regional coordination and collaboration to guide progress toward a future where all people have access to safe, affordable and stable housing. Once adopted by Metro Council, the RHCS will guide Metro's actions over the next six years (2026-2031). It will be followed by the development of more detailed work plans and continued engagement to further shape the work and ensure responsiveness to needs, opportunities and shared values.

PURPOSE OF THE REGIONAL HOUSING COORDINATION STRATEGY

Today's mounting housing challenges require solutions and coordination at all levels: national, state, regional, local, and across public, private and nonprofit sectors. Metro's regional perspective provides a unique opportunity not available to most other metropolitan areas around the country. Because the housing market does not abide by city or county boundaries, Metro's efforts can support and accelerate work done at the local level by increasing coordination and identifying and filling gaps best addressed at the regional scale.

Metro's work related to housing is typically several steps removed from development, but that coordinating role is more important than ever. Through urban growth management duties, land acquisition programs and grants to support planning for new homes and jobs, Metro helps to foster the conditions to support construction of houses and apartments that are affordable across the income spectrum. Metro is also positioned to support strategic investments in housing along current and future transit corridors, ensuring long-term affordability follows opportunity.

Additionally, Metro works to support city and county partners in assessing housing needs and implementing zoning and code changes to speed up construction of housing in existing, developed areas, including areas with good access to transit, services and jobs.

However, affordable housing for those with the lowest income requires public subsidy because of both higher operating costs and income-restricted rents. This is an issue the market cannot solve alone.

More recently, Metro has taken on a role in overseeing the implementation of two voter-approved funding measures that have deepened the agency's involvement in addressing the region's housing crisis. In 2018, voters passed a regional affordable housing bond that is on track to produce more than 5,600 new units of affordable housing across the region. Then, in 2020, voters tasked Metro with overseeing a regional homeless services tax, known as Supportive Housing Services or SHS, which Metro distributes to Multnomah, Washington and Clackamas counties to expand homeless and housing services. In addition to ensuring oversight and accountability for these voter-approved measures, Metro's Housing Department convenes partners to advance systems coordination, alignment and capacity building necessary to maximize the impact of these voter approved funds. The state's relatively new OHNA program now requires that Metro adopt a RHCS at least every six years. This RHCS organizes and prioritizes Metro's ongoing and future work related to housing, identifying the actions Metro will take over the next six years to advance:

- The development of needed housing
- The development and maintenance of housing that is of diverse housing types, high quality, physically accessible and affordable
- Housing with access to economic opportunities, services and amenities

- Actions that affirmatively further fair housing[2]

RACIAL EQUITY

Racial equity and fair housing are core aspects of the OHNA program. Equitable access to affordable, accessible, well-located housing is central to people's prosperity, stability, and quality of life.

Metro's Strategic Plan to Advance Racial Equity, Diversity and Inclusion guides all of Metro's work and established the foundation for applying a racial equity lens to the development of this RHCS. The plan includes a Racial Equity Framework tool that was used to prompt conversations to keep racial equity front and center at project milestones. Five meetings at various times during the project provided dedicated time for staff to reflect on how completed work aligned with the project's vision and guiding principles and prompted adjustments to the deliverables as needed to achieve better outcomes. The Framework guided project scoping, data collection, engagement, identification of actions in this RHCS, the evaluation approach, and plans for implementation and accountability.

Project vision statement

Create a roadmap for actions Metro will advance to promote housing production, coordination, and equitable access. This will be achieved by lifting up emerging best practices, coordinating and aligning local strategies, and addressing critical gaps that can be filled at the regional level.

Key outcomes from the racial equity check-ins included:

- Creation of the project's vision, guiding principles, and process goals
- Development of a better understanding of how to balance margins of error with detailed representation of smaller demographic groups
- Identification of themes and gaps from local Housing Production Strategy engagement to ground this strategy in established priorities and needs
- Preparation for sharing RHCS project updates with CORE and thinking through ways to best incorporate their perspectives and feedback into the project
- Development of a fair housing training for project staff to support education, awareness and dialogue about how Metro can incorporate fair housing principles throughout the RHCS and beyond
- Inclusion of eight specific fair housing metrics in the evaluation framework to ensure the final package of actions in the RHCS addresses a variety of outcomes related to racial equity and fair housing

[2] "Affirmatively furthering fair housing" means meaningful actions that, when taken together, address significant disparities in housing needs and access to opportunity and replace segregated living patterns with truly integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty into areas of opportunity and foster and maintain compliance with civil rights and fair housing laws. ORS 197A.100(9).

CURRENT HOUSING CONTEXT

This section describes current housing conditions and trends in greater Portland and the factors shaping them. It includes a description of:

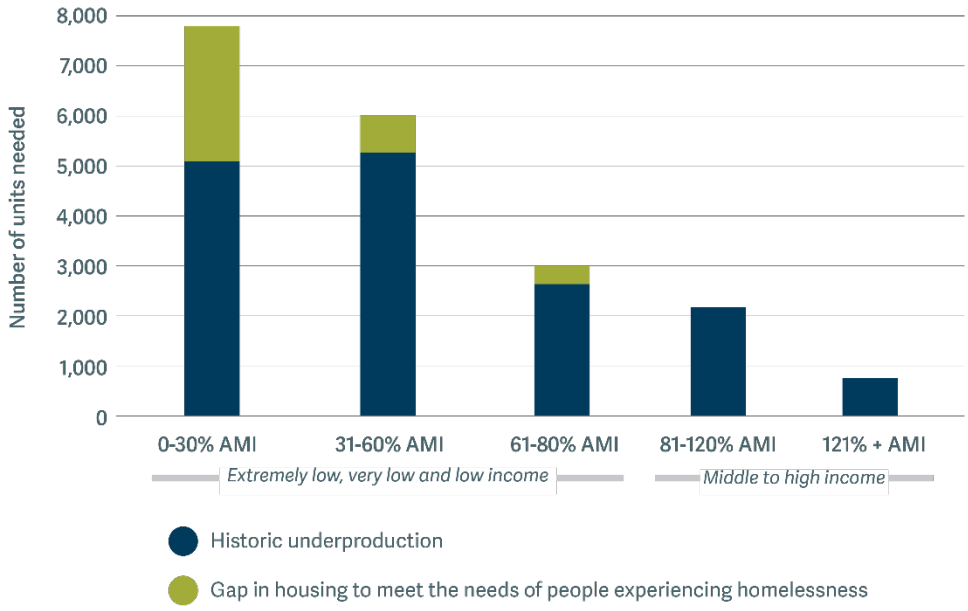
- Housing needs
- Recent production trends
- Housing affordability and stability, including cost burdens, homelessness, and rental assistance
- The role of housing location in access to opportunity and exposure to environmental benefits and harms
- Affordable housing production, financing, preservation, and stabilization trends, as well as an identification of barriers to development
- The importance of accessibility for an aging population

Together, these topics provide the context for understanding the region's housing challenges and informing the development of this RHCS.

Regional housing needs

Every six years, Metro analyzes regional housing needs to ensure that there is sufficient room for expected housing growth inside the region's urban growth boundary (UGB). Metro's 2024 Urban Growth Report (UGR) estimated that greater Portland currently is nearly 27,000 homes short of what's needed to support current population levels and will need to produce 151,000 additional units of housing over the next 20 years to keep up with future growth. Almost two-thirds of that future housing will need to be units affordable for people or households earning less than 80 percent AMI, as the need for affordable housing will continue to grow.

Figure 1: Current housing needed inside the Metro UGB by household income group (source: 2024 Metro UGR). Note: does not include forecasted housing needs.



As summarized below and detailed in Appendix 1, there are several demographic trends that are shaping the type, size, affordability, accessibility of housing needed.

Households are getting smaller and older.

One- and two-person households have become increasingly common, representing about two-thirds of households in the region. These trends are driven by people choosing to have fewer children as well as the aging of the Baby Boomer generation. Between 2000 to 2020, the percentage of households with children less than 18 years old decreased from 33 percent to 28 percent, and the percentage of households with someone more than 65 years old increased from 19 percent to 27 percent, with the share of older adults expected to continue rising in coming decades. These shifts corresponded with a decrease in average household size, which is expected to further decrease from 2.41 people in 2024 to 2.27 in 2044.

As our population ages, the share of households that rely on fixed incomes like pensions and Social Security will increase. These incomes do not increase at the same rate as expenses such as rent, utilities, healthcare and food. Unless a household has substantial savings or can supplement its income, this can create financial strain that makes it difficult or impossible to maintain housing.

About a quarter of households include someone with a disability.

About one quarter of greater Portland's households include someone with a disability. These households tend to have lower median incomes and are more likely to face housing cost burden and to live in housing that does not fully meet their needs.

Many homes—especially older or market-rate rental units—lack accessibility features needed for people with mobility challenges or other disabilities. As the region's population continues to age, the share of residents with disabilities is expected to grow, increasing demand for affordable, accessible housing.

Housing tenure and cost burden

Access to stable, affordable housing depends not only on the overall supply of units, but also on the types of housing units available and their cost. In greater Portland, both homeownership and rental affordability trends show increasing challenges for households with low and middle incomes.

Homeownership rates are decreasing.

For several decades, homeownership rates have declined in the region, reflecting both national trends and local market pressures. Rising housing costs, limited supply of entry-level homes, and slower wage growth relative to home prices have all contributed. Additional factors—such as delayed household formation, higher student debt, and changing family structures—have also impacted homeownership patterns, particularly among younger adults.

In 2024, the median income for a family of three in greater Portland was $105,200. If that family were limited to spending 30 percent of its income on housing, their monthly housing budget would be $2,630, which is typically inadequate for purchasing a home in today's market. To purchase a home with the median listing price of $615,000 (Federal Reserve

A note about census data

Different communities have different levels of comfort with engaging with government censuses and surveys, which can result in undercounts. Additionally, estimates of smaller and harder-to-count populations tend to have less reliability than estimates for larger segments of the population. To increase reliability, the American Community Survey often publishes aggregated categories, which can mask important trends in the data, especially regarding race, ethnicity, and language.

The default confidence interval for both ACS and PUMS data is 90 percent, as this is the statistical standard set by the U.S. Census Bureau for publishing these estimates. This means that the published margin of error corresponds to a 90 percent confidence level, providing approximately 90 percent certainty that the true population value falls within the calculated confidence bounds.

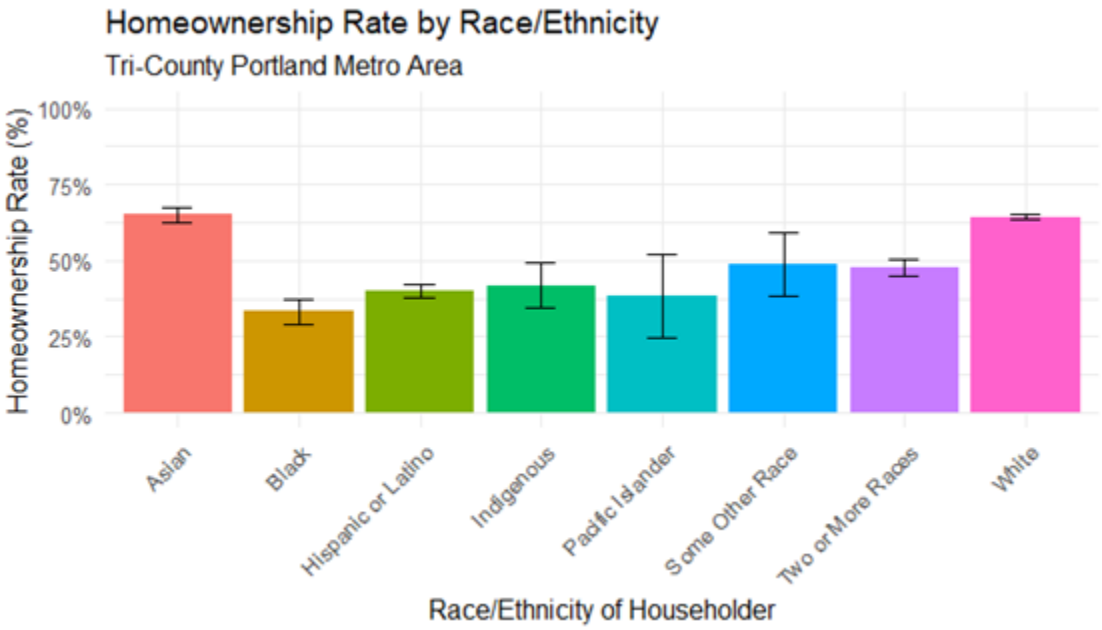
Bank of St. Louis, 2025), a household would need to spend closer to $3,500 per month, highlighting the difficulty of home ownership for median earners. Households that earn less than the median income face an even bigger affordability challenge.

There are disparities in homeownership rates by race and ethnicity.

While homeownership has long been promoted as a pathway to personal and community stability in the U.S., access to it has not been equitable. As shown in Figure 2, homeownership rates are highest for Asian and White households and lowest for Black, Indigenous, Pacific Islander and Hispanic or Latino households. These gaps have widened over the past decade. Differences in income explain some of this variation, but the legacy of historic and ongoing racist policies and practices—including discriminatory lending practices, redlining, and inequitable access to federal programs—continue to shape these disparities.

It is also important to acknowledge the likely variation within racial and ethnic subpopulations, some of which are challenging to show because of data limitations related to small sample sizes (Puget Sound Regional Council, 2024).

Figure 2: Home ownership rate by race/ethnicity



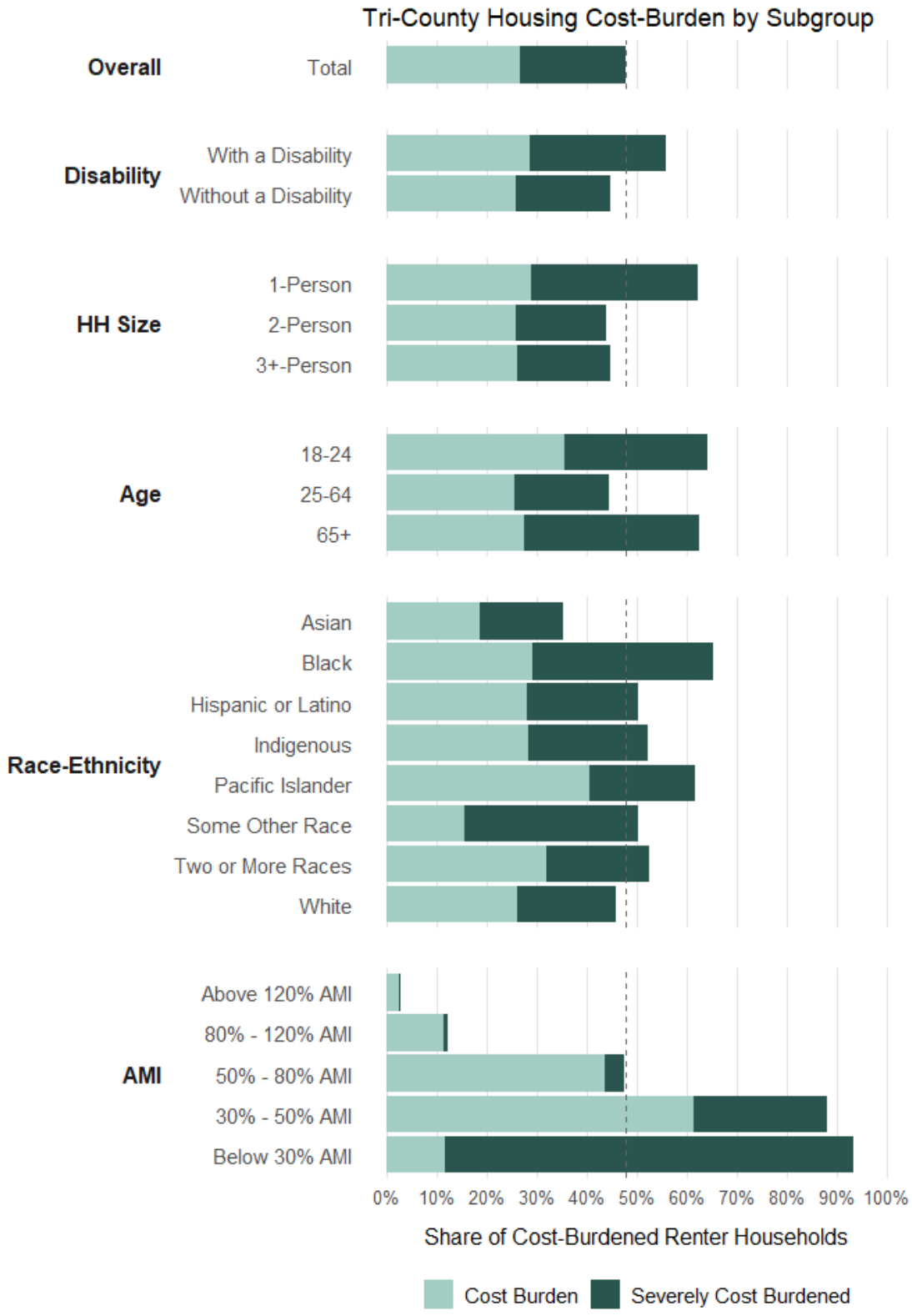
Owning a home can offer long-term financial benefits, such as equity accumulation and housing stability. However, the evidence that it is a reliable means of building wealth is more mixed and depends on market timing, the location of the housing, and the terms of lending. A study by the Federal Reserve Bank of St. Louis found that homeownership equity did not increase by as much as non-housing wealth during the longest period of available data from 1947 to 2016 (Federal Reserve Bank of St. Louis, 2017). The study also found that home equity was more volatile than other forms of wealth, particularly for Black and Hispanic households. This volatility can pose heightened risks

for economically vulnerable households, who may be forced to sell during an economic downturn, resulting in a loss in equity.

Shared-equity models like Community Land Trusts show promise in expanding access to affordable, sustainable homeownership. These programs are typically run by local governments or non-profit organizations. Homeowners forego a share of the home's appreciation so that it remains affordable for future owners. Studies find these models can reduce foreclosure risk, support wealth-building, and narrow racial homeownership gaps while preserving long-term affordability (Wang, Cahen, Acolin, & Walter, 2019) (Thaden, 2011).

For households unable to access homeownership, affordable rental options remain critical. Approximately half of renter households across greater Portland are cost burdened, spending more than 30 percent of their income on housing, and a significant share are severely cost burdened, spending more than 50 percent of their income on housing. Cost burden is most prevalent among one-person households, households that include someone with a disability, younger adults, older adults, and Black, Pacific Islander, Indigenous, and Hispanic or Latino households.

Figure 3: Cost burdened renter households by demographics (tri-county region)

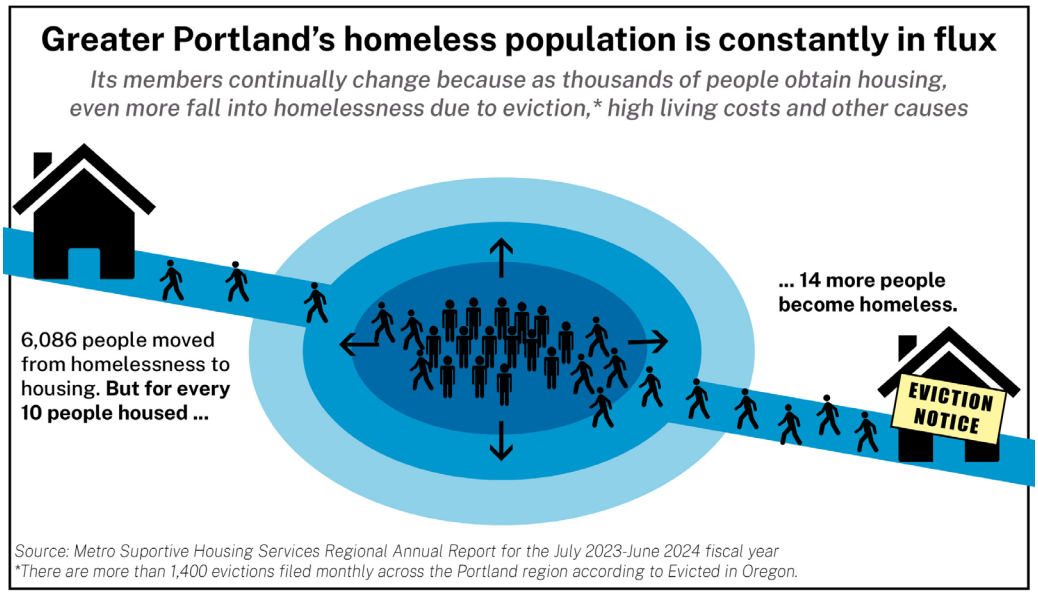


Housing Instability and Homelessness

Housing instability and homelessness in greater Portland are a direct result of the housing shortage. The growing crisis reflects both long-term and recent economic and market pressures, while historic and ongoing exclusionary and racist housing policies and practices continue to exacerbate the problem for communities of color. Federal disinvestment in housing and social services over several decades has left local governments and communities to fill the gap, often without adequate resources, and this trend is expected to continue because of recent federal actions. At the same time, rising housing costs, inflation and a persistent shortage of affordable homes have increased the number of households unable to maintain stable housing.

In recent years, voters and local governments in the Portland region have made historic investments in affordable housing and homeless services, helping thousands of people move into permanent housing each year. However, the number of people newly experiencing homelessness continues to outpace the number of those finding stable housing. This has led to steady growth in the overall homeless population despite significant local investments.

Figure 4: Diagram of inflow and outflow of the homeless population



National research consistently shows that rates of homelessness are most closely linked to the availability and affordability of housing (Horowitz, Hatchett, & Staveski, 2023). Cities with higher rates of behavioral health needs or poverty often experience lower rates of homelessness when housing is more abundant and affordable. In the Portland region, high housing costs and limited supply are primary causes of homelessness. Each month, more than 1,400 evictions are filed across the metro area, reflecting the pressure many households face (Evicted in Oregon, 2025).

The 2023 Point-in-Time Count conducted across Clackamas, Multnomah, and Washington counties identified 7,483 people experiencing homelessness on a single night. Of these, nearly 60 percent (4,355) were unsheltered, while 2,467 stayed in emergency shelters and 661 in transitional

housing. [3] (Zapata, Greene, Niehaus, Spurbeck, & Wei, 2024). The count is widely understood to understate the true scale of homelessness, as it does not capture people who are doubled up with friends or family and may miss others who cannot be located or surveyed.

Demographic characteristics of people experiencing homelessness:

- Race and ethnicity: Black, Indigenous, and other people of color (BIPOC) made up about 35 percent (2,121 individuals) of those experiencing homelessness who reported their race, a disproportionate share compared to the overall population. An additional 804 individuals identified as Hispanic or Latino.
- Age: Children and youth accounted for more than 17 percent of the total, including 918 children under 18. People that are 55 years or older represent about 20 percent of the population, underscoring the broad age range affected by housing instability.
- Chronic homelessness: About 41 percent of individuals met the federal definition of chronic homelessness, with nearly two-thirds of those unsheltered.
- Disabling conditions: A total of 1,448 individuals reported experiencing disabling conditions such as physical, intellectual, and developmental disabilities, behavioral health disorders, and chronic health conditions, during the past year.
- Veterans: Among the 565 veterans counted, nearly half were unsheltered and about one-third reported a disabling condition.

The persistence of homelessness in greater Portland underscores the central role of housing supply and affordability. While supportive services are critical to addressing individual needs, meaningful reductions in homelessness will require sustained efforts to expand affordable housing options, prevent evictions, and strengthen pathways to stable housing.

ACCESS TO OPPORTUNITY, SERVICES AND AMENITIES

Planning for housing requires attention, not just to housing types (e.g., multi-unit or townhouses) and characteristics (e.g., accessibility, number of bedrooms, and affordability), but also where housing is located. Housing location shapes access to jobs, education, transportation, health care, nature, and exposure to environmental benefits and harms. Together, these factors influence public health, economic opportunity, and overall quality of life.

To inform this RHCS and related efforts, Metro has created a series of opportunity maps that illustrate where different communities reside in relation to a variety of locational benefits and burdens. These maps provide important context related to access to economic opportunities, services, and amenities. A full set of opportunity maps is available in Appendix 2, but examples are provided below.

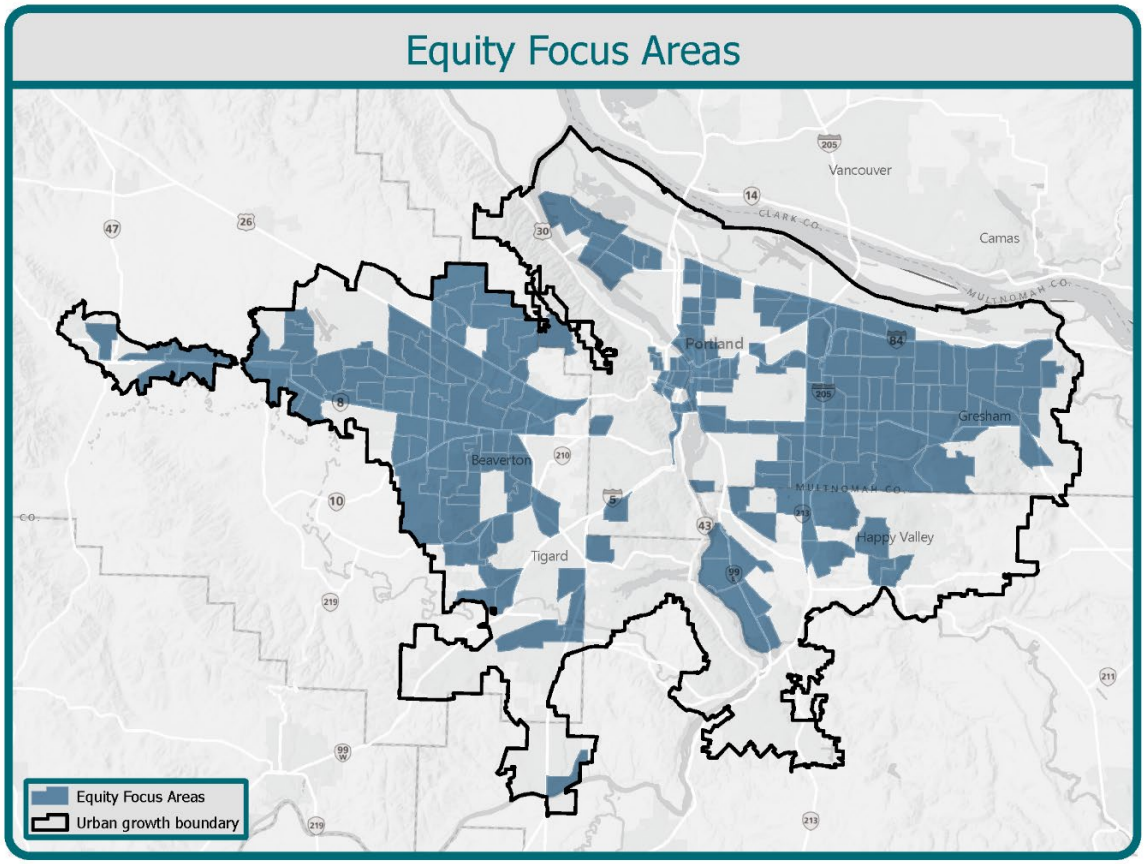
In recent years, Metro has refined a definition for Equity Focus Areas for use in a variety of research, evaluation and planning projects. Equity Focus Areas are Census tracts with a higher-than-average

[3] HRAC again collaborated with Clackamas, Multnomah, and Washington Counties on a tri-county 2025 Point in Time Count; however, a findings report for 2025's count was not available during the development of the RHCS.

share of at least one of the following populations, which are disproportionately impacted by housing instability:

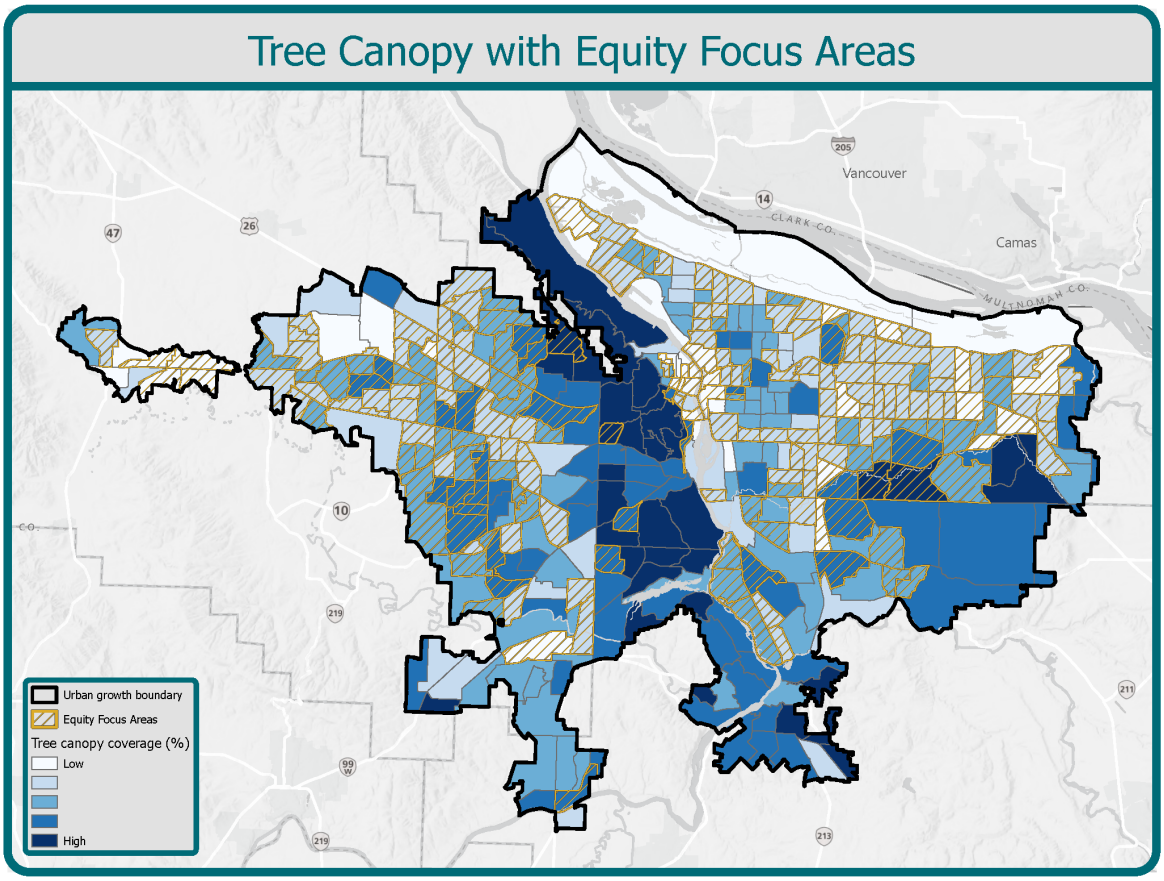
- Black, Indigenous, or people of color (BIPOC)
- Limited English proficiency
- Low income (less than 200 percent of the federal poverty level)

Figure 5: Equity Focus Areas (2022)



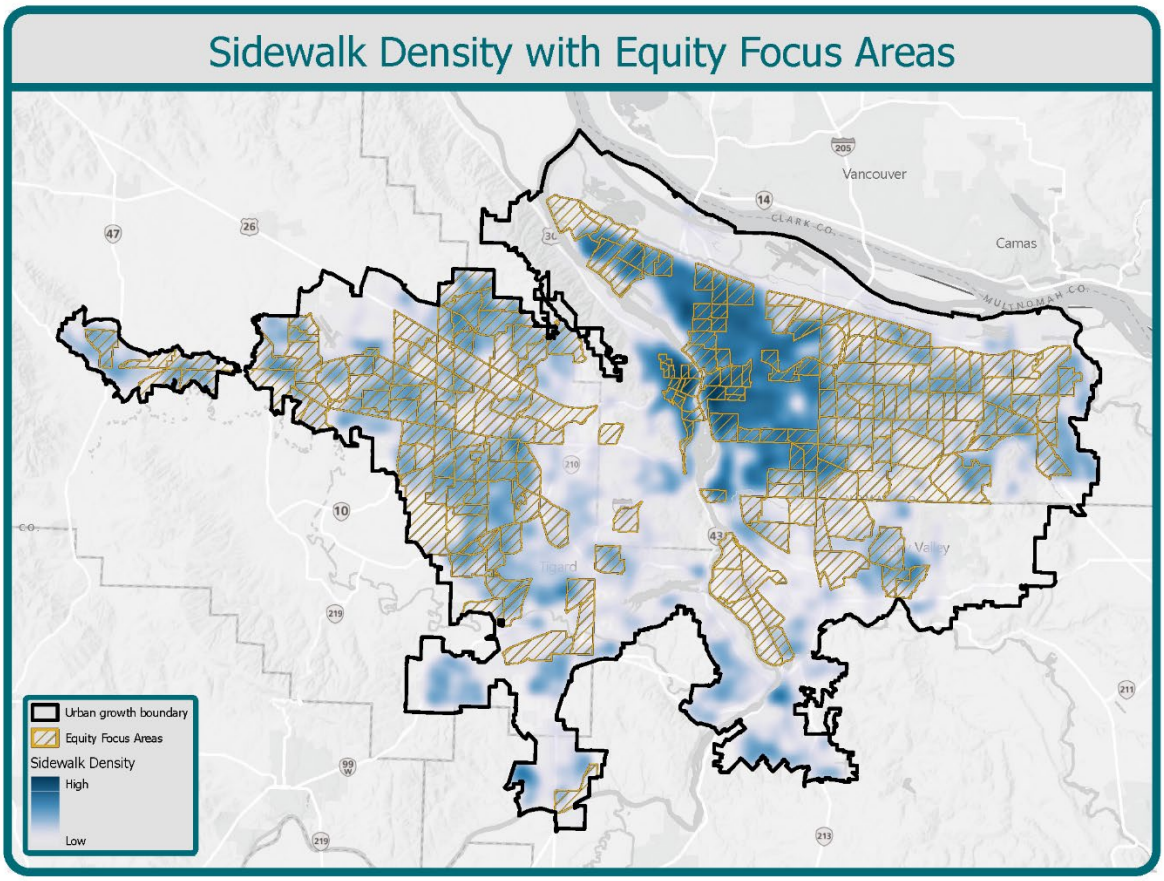
Other data layers can be overlaid with these Equity Focus Areas to get a sense for whether communities are experiencing disparate environmental and health impacts. For instance, Equity Focus Areas often have less tree canopy coverage. Reduced tree canopy can contribute to greater climate-related risks, such as exposure to extreme heat.

Figure 6: Map of Equity Focus Areas and tree canopy coverage



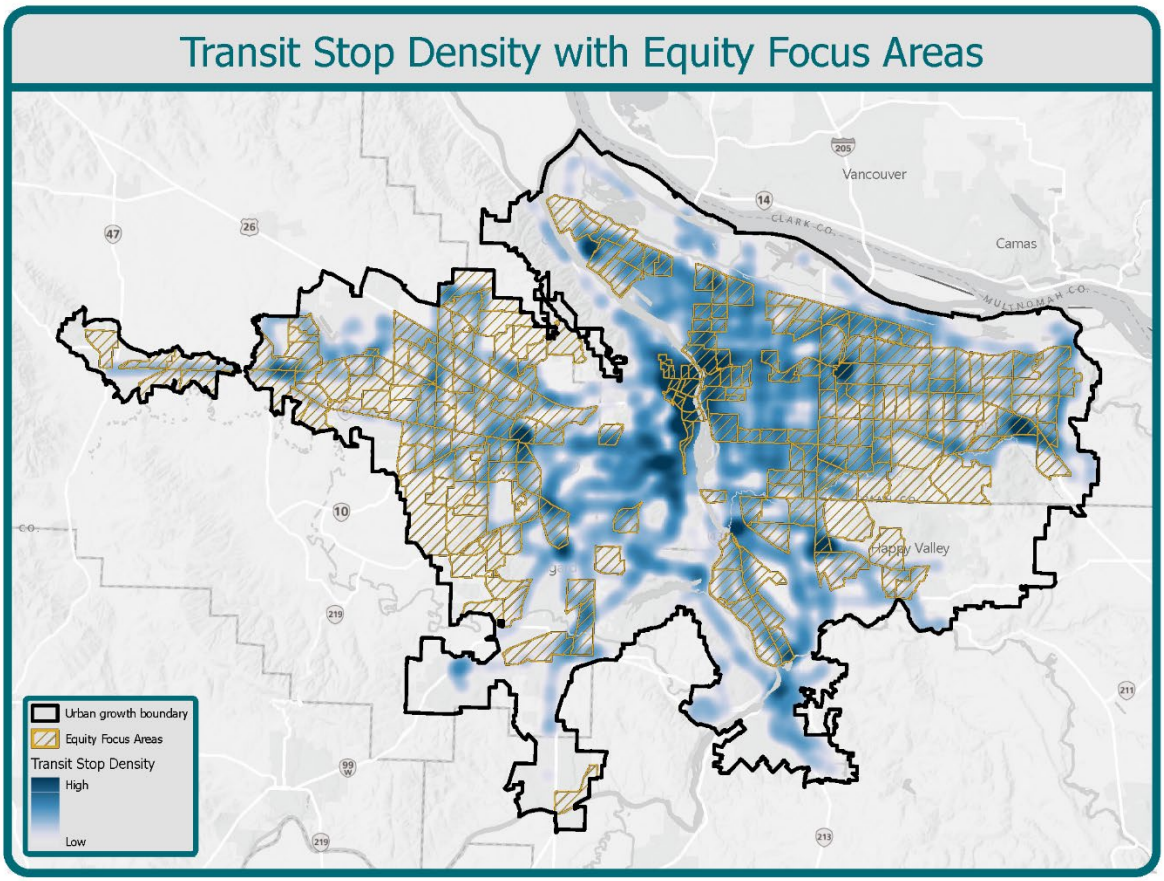
Likewise, Equity Focus Areas often have lower sidewalk densities than other parts of the region, which contributes to adverse health and safety impacts and lack of accessibility for residents with mobility challenges.

Figure 7: Map of Equity Focus Areas and sidewalk densities



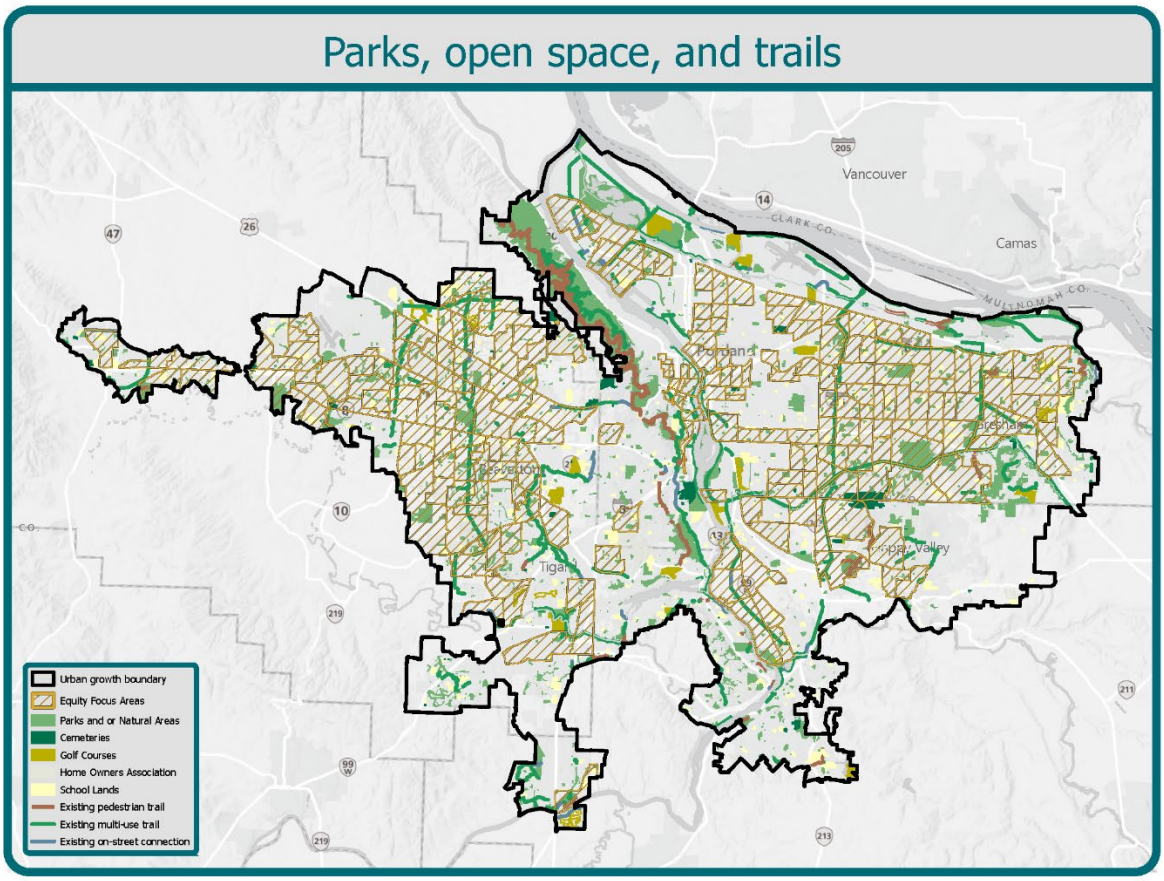
Overlaying Equity Focus Areas with a map of transit stop densities indicates that transit access is mixed. Some Equity Focus Areas have excellent access while others do not.

Figure 8: Map of transit stop density and Equity Focus Areas



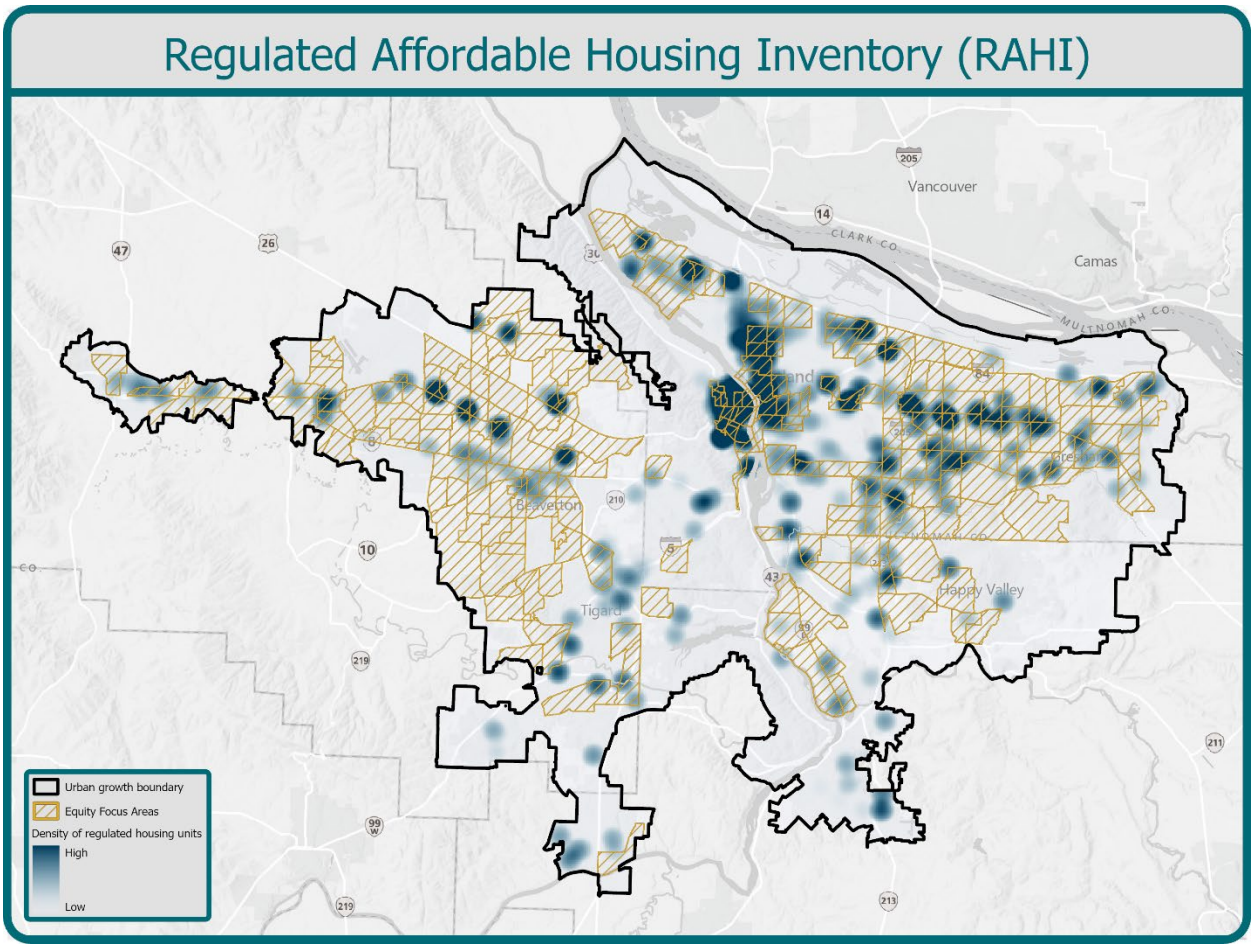
Overlaying Equity Focus Areas with a map of parks, open spaces, and trails indicates relatively good access to nature for BIPOC, low-income, and limited English proficiency populations within our region.

Figure 9: Map of parks, open spaces, trails, and Equity Focus Areas



Overlaying Equity Focus Areas with a map of regulated affordable housing shows significant overlap. This could indicate that there are higher concentrations of Equity Focus populations in these locations because of the affordable housing or that regulated affordable housing has been sited where Equity Focus populations already resided. Affordable housing projects that utilize Low Income Housing Tax Credits (LIHTC) are incentivized to locate in "Qualified Census Tracts" because of a "basis boost" that allows them to receive more tax credit funding. These areas, which must have at least 50 percent of households below 60 percent AMI, often overlap with EFAs. Approximately 60 percent of new affordable homes funded by the Metro Affordable Housing Bond are in EFAs. However, the Bond has also supported several investments in communities that historically lacked affordable housing options, such as the first regulated affordable housing building in Happy Valley.

Figure 10: Map of regulated affordable housing and Equity Focus Areas



HOUSING PRODUCTION TRENDS

To inform this RHCS, ECOnorthwest assessed recent housing production trends. Additional detail can be found in Appendix 3.

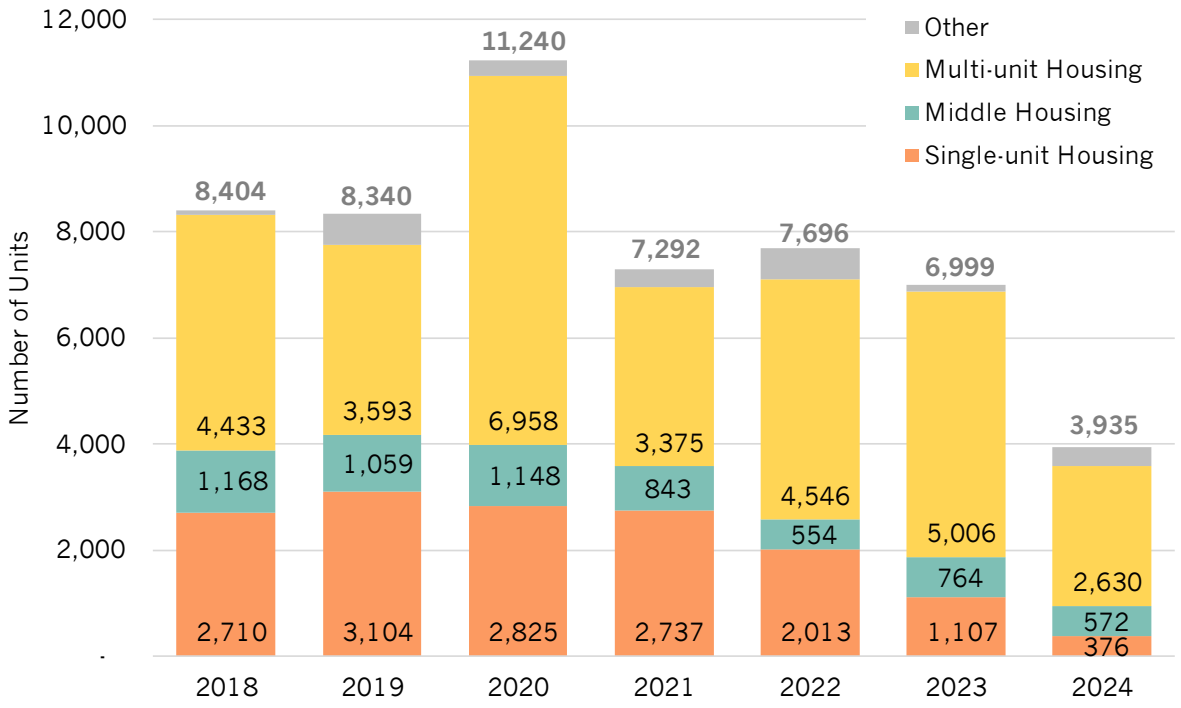
Overall production trends

Housing production rebounded after the 2008 Great Recession but has never returned to the levels of the early 2000s. Following a modest recovery from 2012 to 2019, production began to slow again after the COVID-19 pandemic. The decline in production in 2024 is particularly stark, dropping to about half of the average annual housing produced from 2018 to 2023.

What kinds of new housing are being built?

A majority (57 percent) of the new housing built inside the Metro UGB from 2018 to 2024 was multi-unit housing, followed by single-unit housing (28 percent), and middle housing (11 percent).

Figure 11: Housing units by type, Metro UGB, 2018-2024



Source: Metro RLIS, summarized by ECOnorthwest

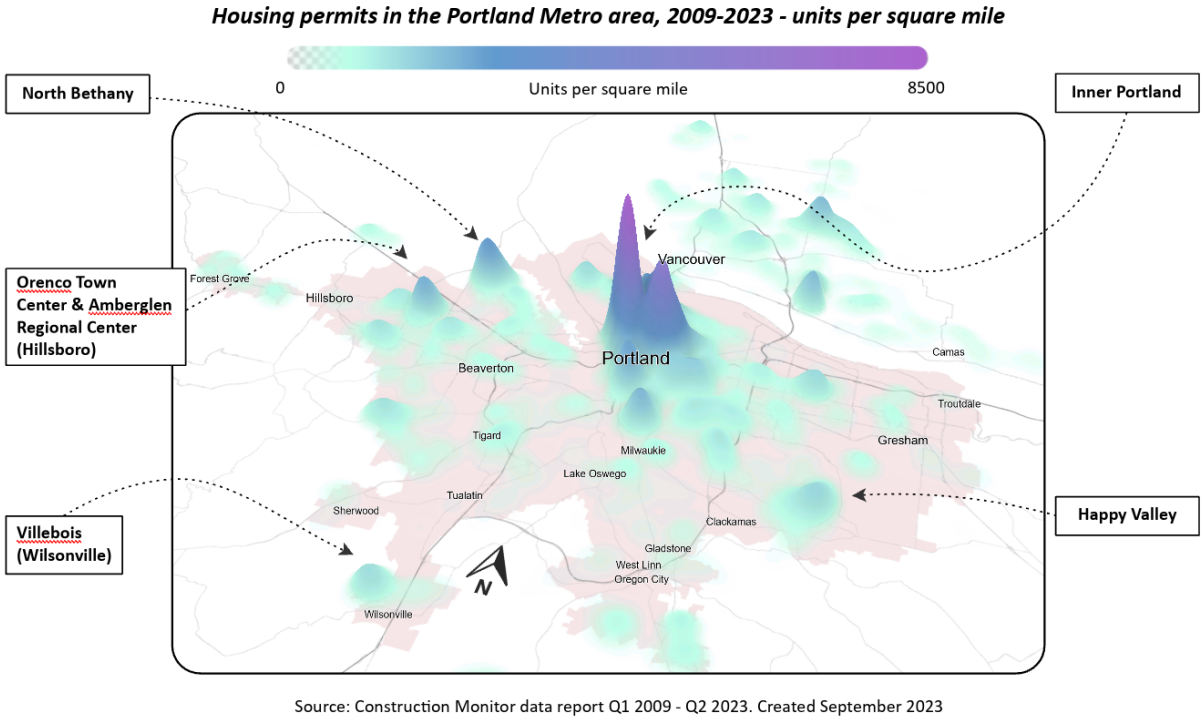
Note: There is a lag between when units are delivered and when they appear in Metro RLIS data.

Note: Middle housing includes ADUs, plexes, townhomes, and cottage cluster housing. "Other" includes manufactured homes, dormitories, and retirement facilities.

Where has new housing been built?

Over the past decade and a half, new housing construction has been focused in existing urban areas, particularly close-in Portland, Orenco Town Center, and Amberglen. While some urban growth boundary expansion areas have taken many years to urbanize or remain undeveloped today, North Bethany, Villebois, South Hillsboro, and Happy Valley stand out for producing housing. Likewise, considerable housing production has happened outside Metro's UGB in Clark County, Washington.

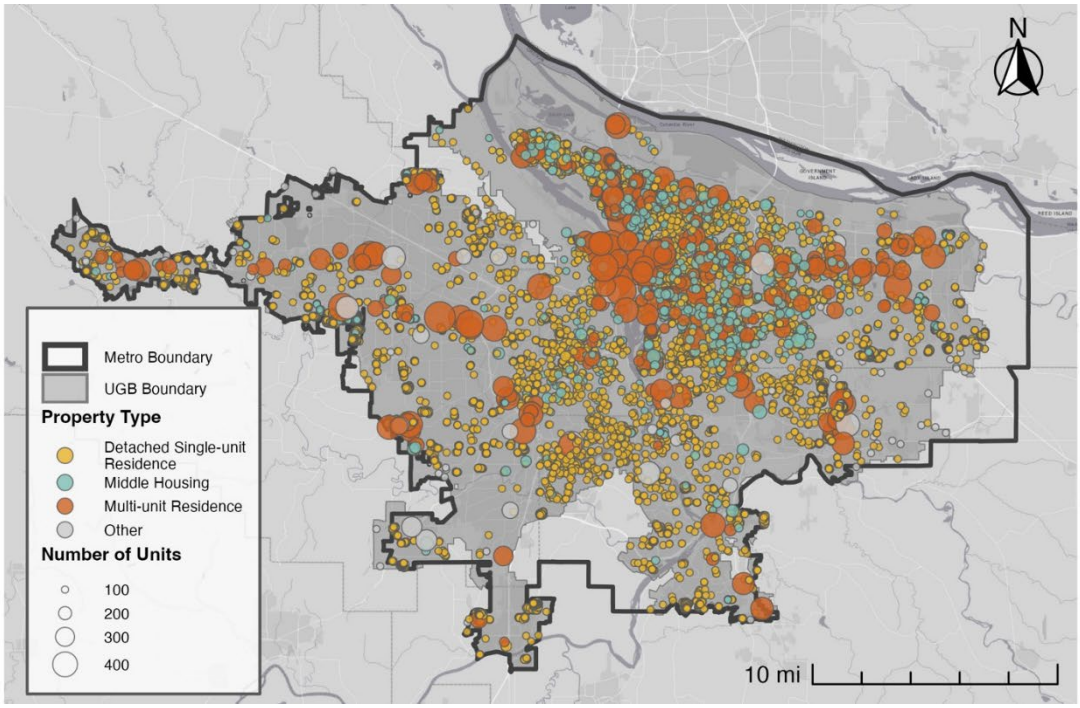
Figure 12: Housing permit activity in the Metro area (2009-2023)



Source: Construction Monitor data report Q1 2009 - Q2 2023. Created September 2023

As depicted in Figure 13, North and Northeast Portland have seen the highest number of new homes built across all housing types over the past six years. Multi-unit housing construction has been especially concentrated in the Pearl District and along the Williams, Interstate, and Mississippi corridors. Single-family development has been more broadly distributed throughout the urban growth boundary. Middle housing development is focused in North and Northeast Portland.

Figure 13: Geographical distribution of residential development, 2018 through 2024

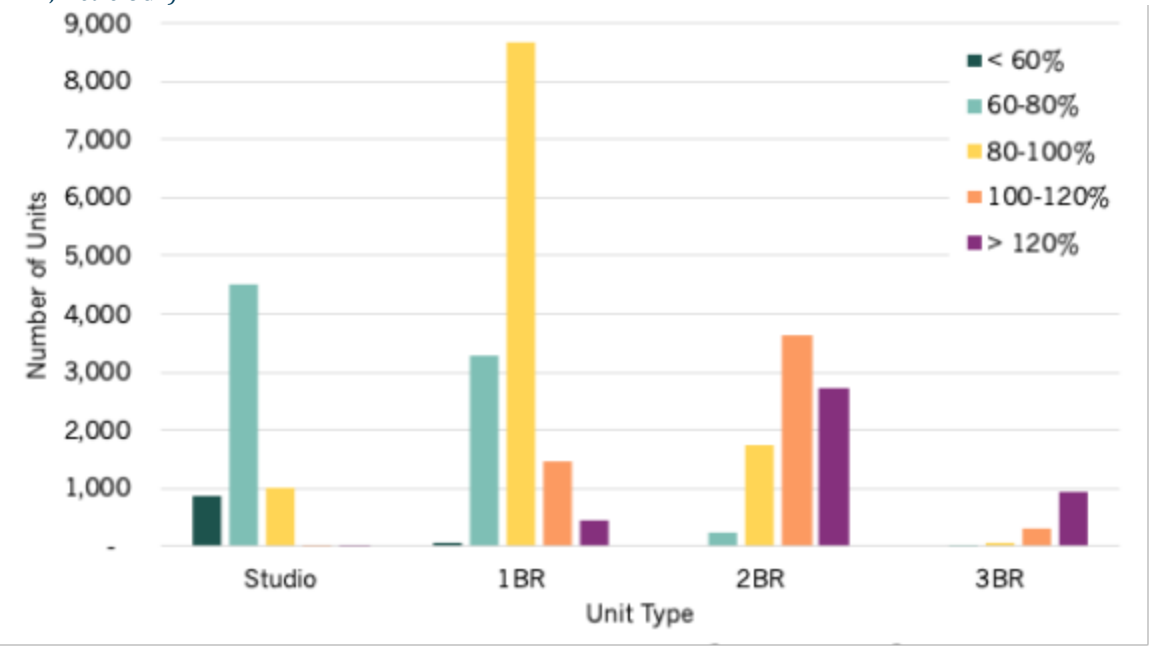


Source: Metro RLIS, displayed by ECOnorthwest

Who can afford new market-rate multi-unit rentals?

Newly constructed market-rate studio and one-bedroom apartments generally serve middle- and higher-income households. Studios and one-bedroom units sometimes offer relatively lower-cost options, but even these are often out of reach for households earning below 80 percent of Area Median Income (AMI). New two-to-three-bedroom rentals—needed by many families—are rarely affordable to households below 100 percent AMI.

Figure 14: Affordability by percentage of AMI for market-rate multi-unit housing by bedroom count for new units built (2018-2025, Metro UGB)



Source: ECOnorthwest, Costar 2025, U.S. Department of Housing and Urban Development Income Limits, Portland Housing Bureau 2025 Utility Allowance Schedule, accessed https://www.portland.gov/phb/documents/2025-utility-allowance-schedule/download.

Rent affordability patterns vary around the region. New rental housing in the Central City and close-in Portland neighborhoods spans a wide range of affordability levels. New rental housing in suburban locations largely falls within the 80 to 100 percent AMI range.

Who can afford new for-sale homes?

Recently constructed ownership housing is only affordable to more affluent households. Nearly all (99 percent) new single-unit detached homes built and sold since 2022 are affordable only to households earning more than 120 percent AMI. New townhouses show a similar trend.

Condos and co-ops offer somewhat more affordable ownership opportunities for households earning between 100 and 120 percent AMI. However, relatively few condos and co-ops have been

built in recent years because of condo construction defect liability concerns.[4] New condo and co-op construction is happening almost exclusively in the City of Portland.

New ownership housing tends to be relatively less expensive in North Portland, outer Southeast and Northeast Portland, and Gresham. New ownership housing tends to be more expensive along the fringes of Forest Park and in Lake Oswego.

Regulated affordable housing production and supply

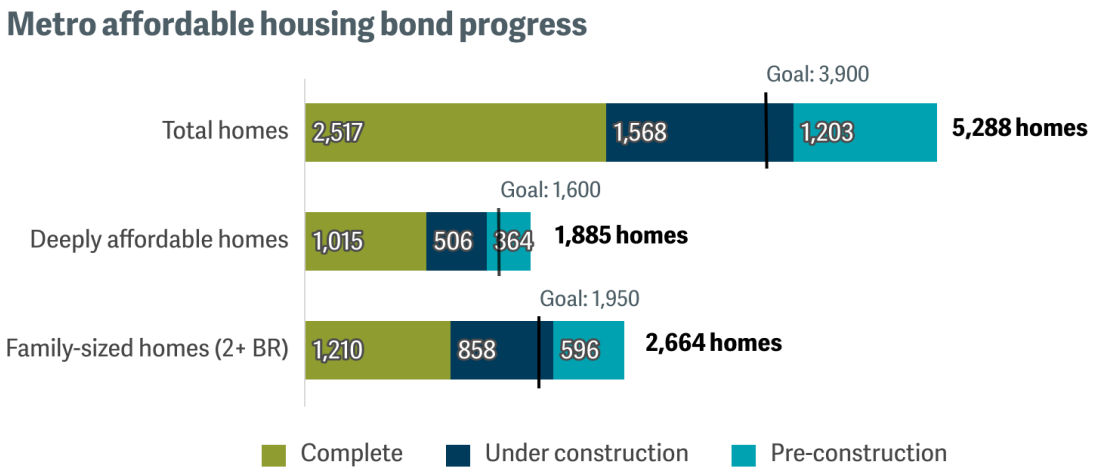
Like market-rate housing, the production of regulated affordable housing faces challenges such as rising construction costs, labor shortages, and permitting delays. Unlike market-rate housing development, the scale, timing, and location of affordable housing development are influenced less by market demand and more by the availability, structure, and predictability of public financial support.

Financing affordable housing is uniquely difficult. Because restricted rents are set below market levels, they rarely generate enough revenue to cover operating and maintenance costs, let alone repay the upfront investment and debt required to develop the project. Unlike market-rate projects, affordable housing is not designed to be resold for profit or leveraged against future appreciation. This structural gap means the private market alone cannot produce housing affordable to low- and very low-income households.

Public and community investment is therefore essential. Subsidies bridge the financing gap and make it possible to build and operate affordable housing without charging prohibitively high rents. Funding comes from a mix of federal, state, and local sources, including federal LIHTC, state programs, and local housing bonds. In the Portland region, the 2016 Portland Housing Bond is expected to create 1,859 affordable homes, while Metro's 2018 Affordable Housing Bond is projected to deliver more than 5,600 homes.

[4] HB 3746 (2025 session) reduced the period of limitation for a tort action arising from defective construction, alteration or repair to mitigate legal risks for builders.

Figure 15: Metro housing bond progress



As shown in Figure 15, the thousands of homes made possible by the 2018 Bond will be affordable to households earning 80 percent of the area median income (AMI) or less, with most designated for households making 60 percent AMI or lower, including a considerable number of deeply affordable (30 percent AMI) units as well as family-sized homes (2 bedrooms or lager).

This helps to address critical gaps in the region's supply of regulated affordable housing, which had historically skewed toward smaller unit sizes and 60 percent AMI units, as illustrated in Figure 16, which shows a breakdown of regulated affordability level for the region's regulated affordable housing units as of 2020, the last year when Metro completed an inventory.

Figure 16: Metro region regulated affordable housing inventory by regulated rent level

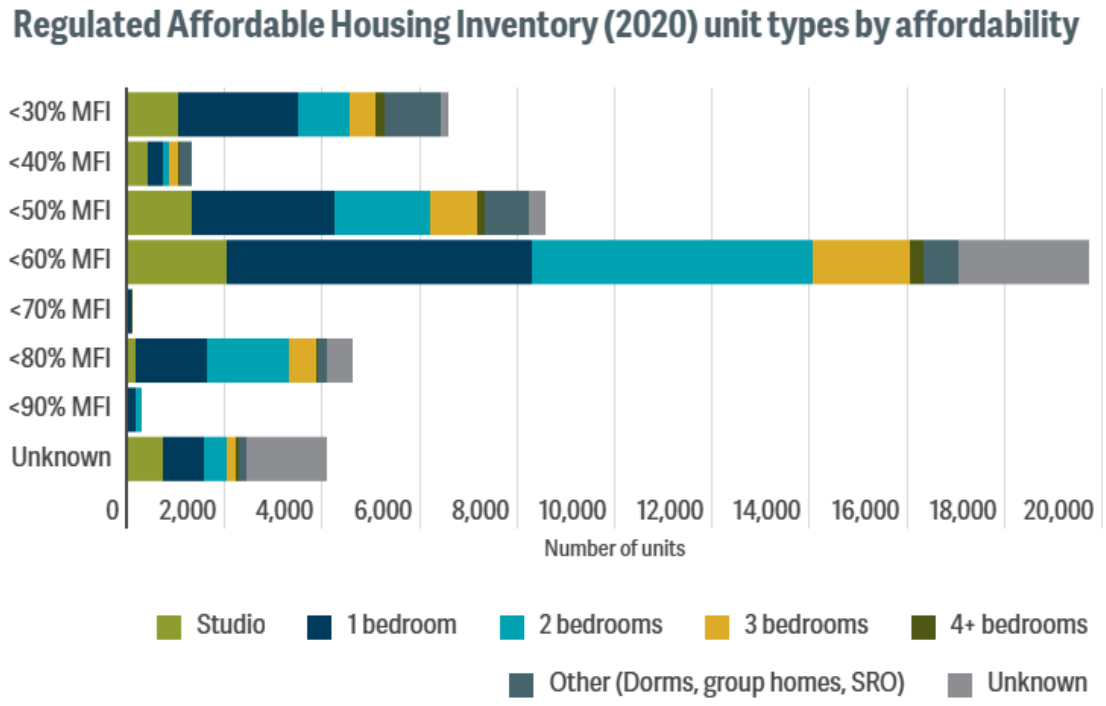
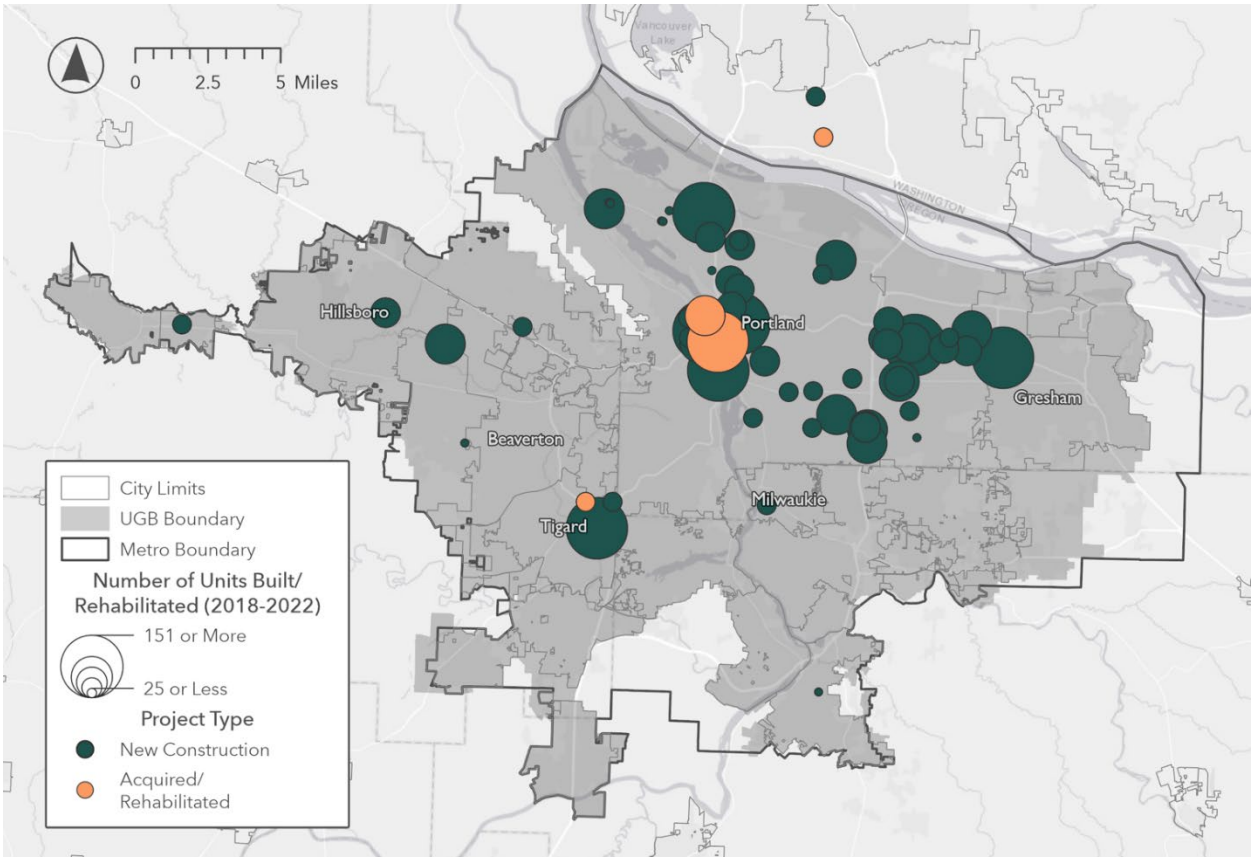


Figure 17: New and rehabilitated regulated affordable housing (2018-2022)



Source: Metro, summarized by ECOnorthwest

Accessibility

There is limited local data on the accessibility of existing housing units, but anecdotal evidence suggests that there are too few. Nationally, less than four percent of homes offer basic accessibility features (about 0.15 percent are fully wheelchair accessible) and only a third of units are potentially modifiable, having some structural features necessary for accessibility but in need of additional modifications (Scheckler, Molinsky, & Airgood-Obrycki, 2022). Additional accessible and adaptable housing, including buildings with elevators and single-level units, is needed, particularly in locations with access to healthcare, sidewalks, and transit, to accommodate our aging population.

Rental assistance

Rental assistance is a critical tool for preventing homelessness, stabilizing households, and supporting economic wellbeing. Rental assistance programs work by paying the gap between what a qualifying unit costs to rent, and the amount the household can afford based on their income. For this purpose, affordability is approximately 30 percent of a household's gross income. This is especially important for people who live with no income or very little income – for instance, older

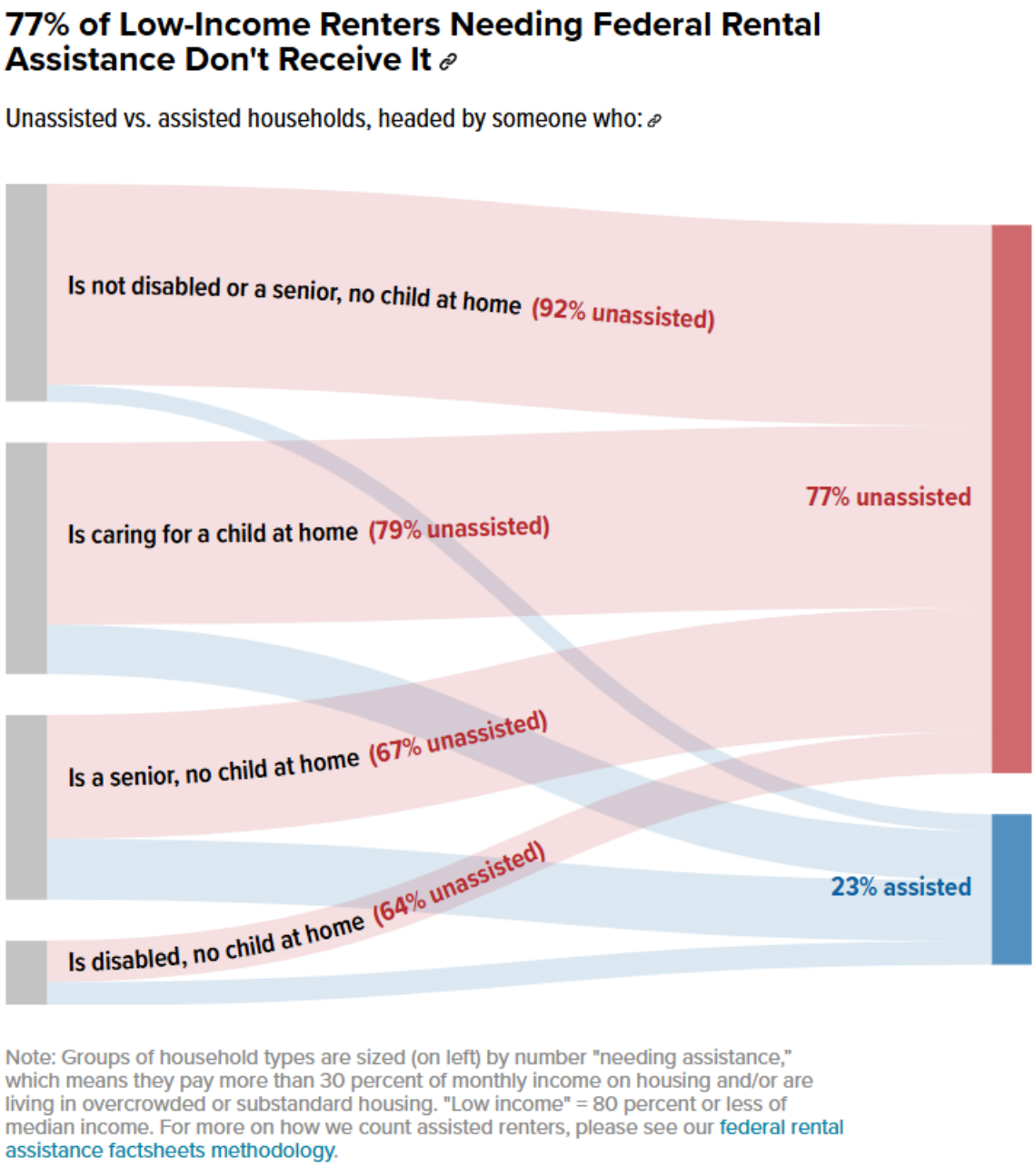
adults living on Social Security Disability Income – who cannot otherwise afford housing in most places.

Rental assistance payments are generally provided directly from a funding entity to the property manager or owner of the unit being subsidized. Differing types of rental assistance exist, but typically programs are divided into two primary types:

- Long Term Rental Assistance: Offers ongoing rental assistance to qualifying households, typically without pre-imposed time limits. These resources can be provided either as tenant-based, where the household is able to apply a "voucher" in a qualifying unit they find, or project-based, where a unit has this subsidy attached. Long term rental assistance is a required element of PSH.
- Short Term Rental Assistance: Offers time-limited support, typically for 24 months or less. These resources are most often used to prevent a household from imminently entering homelessness, or to support a household accessing housing after a period of homelessness. At the end of this period, tenants are expected to maintain rental payments through other means. Short term rental assistance plays a key role in stabilizing households experiencing acute, time-limited financial struggles.

Federal long-term rental assistance programs like the Housing Choice Voucher program (often called section 8), and state and locally funded rental assistance programs help households afford housing in both regulated affordable properties and in the private market. However, demand far exceeds supply: according to the Center on Budget and Policy Priorities, nationally, only 23 percent of households in need of federal assistance receive it as illustrated in Figure 18. This means waitlists in the Portland region are long.

Figure 18: Assisted and unassisted household (source: Center on Budget and Policy Priorities)



Long-term rental assistance can also support rental property development, by providing increased certainty of ongoing property stability and rent collections to developers and investors. Because of this increased certainty, developers can often access additional funds from lenders, decreasing public or other resources needed to finance properties, when there are long-term rental assistance contracts in place for a project.

BARRIERS TO HOUSING DEVELOPMENT

Market barriers

Housing production in the Metro region faces many of the same market challenges that are observable nationwide, making them difficult to counteract at the local level. Additional details about these barriers documented by ECOnorthwest can be found in Appendix 3.

Construction cost escalation

Inflation and labor shortages have increased costs. From 2012 to 2021, U.S. construction costs, including labor and materials, rose an average of 2.3 percent per year. Between 2021 and 2025, that rate jumped to 6.8 percent per year.

Rising cost of debt

Interest rate hikes have made borrowing more expensive. It is likely that this is affecting feasibility of development of housing affordable to middle-income households (81 – 120 percent AMI) the most. Building for this segment of the housing market has a narrow range for financial feasibility since developers cannot generally access public affordable housing financing, which is typically aimed at units affordable at or below 80 percent AMI.

Rising cost of land and infrastructure

Land values continue to increase, particularly in outlying parts of the region. Additional development-ready land could moderate land price increases. However, making raw land ready for development has proven challenging because of the high cost of providing infrastructure. For its part, Metro has approved every UGB expansion proposed by a city since urban reserves were put into place in 2011 and continues to provide grant funding to support city planning efforts for future expansion areas. While land is a necessary input for housing production, experience has shown that it alone will not guarantee that housing will be built or that the housing that gets built will match household budgets. Local Housing Production Strategies now play the role of identifying the actions necessary to promote housing production and fair housing.

Familiarity and risk perception for alternative housing types

Some developers and lenders that primarily build or finance traditional single-unit-detached homes are hesitant to pursue less common formats such as middle housing because of uncertainty about buyer interest.

Return-on-investment issues for small-scale projects

Small-scale projects can be less cost effective for developers because fixed costs cannot be spread across many units. Developer interviews indicated that soft costs, including permitting costs and developer overhead are harder to absorb on small projects.

Construction defect liability for condos

Unlike apartment buildings where a developer or owner often retains control of the building and leases out units, condominiums involve the sale of individual units to homeowners. This structure creates legal exposure for developers, as homeowners' associations can file construction defect

lawsuits—often years after completion of construction. This risk has limited condo construction even though it could provide more attainable homeownership options. To help address this issue, HB 3746 (2025) reduces the statute of limitations for construction defect actions for units in a planned community or condominium.

Rising insurance costs

Property insurance rates are rising as companies factor in climate change risks and increased costs of materials and labor for repairs or replacement. This increases operating costs for rental housing and monthly payments for homebuyers, exacerbating affordability challenges. Rising operating costs also increase perceived risk for lenders, which may result in higher borrowing costs or tighter lending standards, which further constrain feasibility.

Rising labor costs

Labor costs for roles that support development and ongoing operations of properties have been on the rise in recent years. Wages have increased faster in the real estate management industry compared to wages across all industries as well as service-providing industries. This increases construction and operating costs for rental properties that can result in the production of fewer homes or amenities and can also challenge the feasibility of projects all together.

Financial barriers to regulated affordable housing

In addition to the aforementioned market barriers, cost escalation has placed more strain on affordable housing development, compounding the already higher costs tied to complex financing structures, layered public funding requirements, higher legal fees and limited revenue streams to cover ongoing operating costs.

Limited availability and predictability of public subsidy

Regulated affordable housing requires public subsidy to achieve financial feasibility because there are limits placed on rents and purchase prices, which would otherwise reimburse and exceed the cost of development and construction in market-rate buildings.

Federal LIHTC are the largest source of funding for affordable housing development. These funds are accessed through a complex process, wherein state affordable housing finance agencies – Oregon Housing and Community Services (OHCS) in Oregon – award LIHTC to projects based on established selection criteria. The developers of these projects then find partners with significant federal tax liability who invest in the project to access the tax credits. These investors become limited partners in the project.

As of 2024, 93 percent of the rental projects supported by the Metro Affordable Housing Bond leveraged LIHTC. However, most LIHTC also depends on the availability of private activity bonds, the use of which is federally regulated. Historically, Oregon had surplus bonds. However, in 2021, OHCS paused some LIHTC applications because of oversubscription, leading to uncertainty and delays that have impacted project costs.

Recent federal changes to this program will improve LIHTC availability. However, because of the way the program is structured, LIHTC cannot cover a project's full costs. This means that all projects must also have a mix of additional funding sources—federal, state, local, private, and philanthropic—to move forward. The availability of funding that comprises the affordable housing capital stack can vary from one budget cycle to the next, complicating predictability and industry stability. At the local level, Metro bond funds are nearly expended, with no commensurate local funding source currently identified.

Rising costs are driving larger per-unit subsidy needs, straining available funding

Rising materials and labor costs that affect market-rate housing also strain affordable housing development. Between 2020 to 2024, the weighted average cost per unit for Metro bond funded developments increased by 30 percent.[5]

Complex funding layers increase time and risk

As noted, affordable housing projects typically require multiple funding sources. Each funding source carries its own application, compliance, and reporting obligations. Navigating this complexity adds significant soft costs, extends project timelines, and increases the risk of financing gaps.

Permanent Supportive Housing (PSH) development faces layered operational and financing challenges

In recent years, lenders have become more hesitant to underwrite deeply affordable projects, particularly those intended to support households exiting homelessness, because of the operational challenges and expenses of existing projects. Further, many housing operators have voiced concern about adding more of these housing types to their portfolio without adequate support, because of the risk they pose to their organizations' financial health. As a result, future PSH and service-enhanced affordable development may require higher levels of public subsidy and ongoing risk mitigation support.

Lack of dedicated preservation funding risks loss of existing affordable housing stock

Many regulated affordable housing properties face expiring income restrictions and deferred maintenance needs. However, few public funding sources are available to support preservation strategies such as acquisition, recapitalization, and rehabilitation.

Limited coordination between housing and health/social services

Many affordable housing developments are designed to serve residents who would benefit from supportive services, including households exiting homelessness and those experiencing behavioral health challenges. However, funding for these services and the ongoing rental assistance needed to support these households is often disconnected from housing development financing, creating

[5] Metro Affordable Housing Bond 2024 Annual Report.

uncertainty about service availability when projects open and increasing the risk of tenants missing rent payments and facing eviction.

Smaller-scale developments don't achieve economy of scale

Despite demand for smaller-scale affordable rental developments (<20 units), public funders and investors sometimes maintain policies and funding guidelines that decrease the financial viability of smaller-scale developments.

Placing limits on per-unit costs helps spread scarce resources across more developments but is an example of a policy that can make it more difficult to develop smaller multi-unit properties. Depending on the jurisdiction, some costs – for instance, "soft costs" like legal fees, permitting and recording costs, surveys and inspections – are the same, regardless of the number of units the project will produce. This means that projects with fewer units may have a higher per-unit cost than a larger development, making them a less appealing investment for a public funder.

Adding to this challenge, these properties may struggle to maintain ongoing operations or services because of a lack of scale. While a medium-sized or larger property could support an on-site service coordinator, property manager, or maintenance staff at a relatively low cost-per-unit, for smaller scale developments these types of supports may need to be split across multiple properties.

Non-market and structural barriers

In addition to market and funding feasibility challenges, housing production across the Metro region is also constrained by a range of non-market and structural barriers. These include zoning and entitlement restrictions, site-level and infrastructure challenges, and broader regulatory and governance dynamics.

Barriers also vary geographically. High-opportunity neighborhoods often maintain the most restrictive zoning and entitlement processes, while infrastructure barriers dominate in expansion areas. Addressing these patterns will require place-specific solutions.

Zoning and design standards

Restrictive zoning

While state reforms over the past several years (such as HB 2001 [2019]) have required jurisdictions to remove regulatory barriers to middle housing and affordable multi-unit development, potentially problematic standards remain in some areas. Parking minimums, maximum densities, setbacks, landscaping and open space requirements can prevent compact and cost-effective multi-unit housing development. In commercial zones, ground floor commercial requirements can increase development costs that may not be matched by viable rents.

Too many zoning districts: In some jurisdictions, an excessive number of zoning districts and overlay zones creates additional complexity. Portland's zoning code, for example, includes dozens of base and overlay zones with varying use, height, and design standards.

Zoning and market mismatch: In some areas, zoning allowances do not align with what the private market can feasibly deliver. This mismatch typically occurs in two ways:

> ***Under-zoning*** *in high-demand areas*. For example, close-in neighborhoods zoned for lower density development (primarily single-unit homes and some middle housing), despite strong market demand for more housing types.
>
> ***Over-zoning*** *in lower-demand areas.* Some suburban centers and corridors are zoned for multi-story, mixed-use development, but market rents are insufficient to support the higher construction costs for these types and scales of development. Zoning in these areas may mandate building features such as ground-floor retail or structured parking that add cost and risk and may render development infeasible, particularly for affordable housing projects. In some cases, limited amenities and older, auto-oriented patterns further reduce market demand.

Seismic upgrade requirements: Redeveloping older buildings in Portland can trigger costly seismic retrofits under city code, which often makes adaptive reuse financially infeasible. These requirements have limited opportunities to repurpose older buildings that could serve lower-income renters and make some existing residential buildings too expensive to rehabilitate. Without additional subsidy, many of these structures will remain underutilized and at risk of earthquake damage.

Process and procedures

Permit processing delays and lack of predictability: Some jurisdictions, especially smaller cities, lack sufficient staff to process permits and inspections quickly. Delays can jeopardize tax credits and other time-sensitive funding. Smaller jurisdictions may also need to coordinate with counties or special districts, which adds complexity and can slow approvals.

Appeals and public opposition. Despite state requirements to allow housing through clear and objective standards, development often requires some adjustments that can trigger discretionary review processes. In those situations, public opposition can pose a significant barrier, particularly in high-opportunity neighborhoods where affordable housing is most needed.

Fees and SDCs

Fees, including System Development Charges (SDCs) and permit fees, can be a big contributor to project costs. However, in Oregon, SDCs are an important source of funding to pay for the pipes, streets, schools, and parks needed to support housing development. This reliance on SDCs has several causes, including:

- Decreasing federal investment in local infrastructure
- Public sentiment that growth should pay for itself
- A lack of a sales tax in Oregon
- Statutory limits on increases in property taxes in Oregon

In the Metro region, the average SDC cost is about $27,000 per unit (League of Oregon Cities, 2023). Some SDCs, particularly for recent UGB expansion areas, can approach $45,000 per unit.

Smaller entry-level homes, lower-cost middle housing and apartments, and communities with weaker market demand are disproportionately affected by SDCs because the SDCs represent a proportionally larger share of these homes' prices. High-end, single unit detached housing is generally impacted least.

Site-Level Barriers

Fragmented landownership and absentee landowners

Fragmented land ownership, particularly in areas that have been urbanized for many decades, can be a barrier to housing production. Developers must either consolidate multiple lots which increases cost and risk, or accept smaller, less efficient projects. Land banking and public site assembly are important tools to help create viable development opportunities.

Infrastructure constraints in greenfields

Infrastructure funding is often a primary constraint for housing development in UGB expansion areas. Roads, sewers, water, and parks require massive upfront investment, and without them, housing cannot be built. Much of the new infrastructure to serve greenfield development is funded by developers, either directly (through exactions) or indirectly (through SDCs or similar fees), which can increase development costs.

Greenfield challenges

In addition to high upfront infrastructure costs, housing delivery in greenfield areas can face additional structural barriers, such as governance challenges, including annexation and inter-jurisdictional coordination.

In early phases, new communities often lack amenities (with homes often arriving before retail, transit, or schools), which can reduce livability and make it harder to deliver higher-density housing until the amenities are available.

Infill challenges

The costs of site acquisition, demolition, environmental cleanup, and required infrastructure upgrades make many infill projects that are allowed by zoning financially infeasible.

Brownfield sites

Brownfields can offer potential for reuse with housing but face significant barriers, including:

- Environmental remediation costs are highly variable and create financial uncertainty
- Liability risks deter investment and complicate site acquisition transactions
- Financing is challenging, with lenders requiring extensive due diligence

- Public subsidies for remediation are limited and inconsistent

Governance and Capacity Barriers

Fragmented governance and inconsistent policies

Complex governance structures, spanning three counties, 24 cities, and multiple special districts, create inconsistent housing policies and fragmented implementation. Housing needs are regional, but solutions remain largely local and often uncoordinated. The state's OHNA program, this RHCS, and city and county Housing Production Strategies represent important steps toward regional alignment, but sustained coordination remains critical to meeting housing targets.

Limited public sector capacity

Some jurisdictions in greater Portland lack the staffing capacity and technical expertise to implement complex housing reforms or manage affordable housing programs. Capacity constraints are particularly acute in smaller jurisdictions, which may not have housing specialists on staff.

Equity and Housing Choice Barriers

Displacement from emerging high opportunity areas

Many low-income residents, particularly communities of color, have been displaced from areas that have become high-opportunity neighborhoods. Recent initiatives, such as Metro's equitable development strategies for future transit corridors, aim to mitigate these impacts through place-based planning, but progress will require stronger tenant protections and continued efforts to expand middle housing options, land acquisition and banking in emerging high-opportunity areas, and continued investment in the development and preservation of affordable housing.

Lack of subsidized or lower-cost housing in high opportunity areas

Wealthy, high opportunity enclaves sometimes offer few lower-cost homes. There is little financial incentive for private developers to build low-cost housing in higher-income communities when higher-cost housing results in greater profits and less neighborhood opposition. In addition, land costs are often higher. Government intervention may be needed to create opportunities for housing serving a range of incomes in high opportunity areas.

Much affordable housing is in lower-amenity neighborhoods

High land costs, limited land availability, the location of federally designated Qualified Census Tracts, and community opposition in high-opportunity areas have historically pushed more affordable housing development to lower-cost parts of the region. The result is that many regulated affordable homes are sited in neighborhoods with fewer amenities and higher concentrations of poverty.

Public funders' project selection criteria and subsidy guidelines can support better integration. The Metro Affordable Housing Bond has helped by setting goals to build new housing in locations with access to transit and amenities.

Limited accessible housing and barriers to aging in place

Nationally, fewer than four percent of homes offer basic accessibility features, and only 0.15 percent are fully wheelchair accessible. About one-third of units are potentially modifiable but would require renovations (Scheckler, Molinsky, & Airgood-Obrycki, 2022). In Oregon, there is no comprehensive inventory of accessible (Type A) or adaptable (Type B) units. ECOnorthwest analyzed available data on recent multi-unit developments in the state and estimated that up to 50 percent of newly built units may meet Type B standards and about two percent may meet Type A standards. These estimates vary by region and exclude senior-focused or federally funded affordable housing, which are more likely to include accessible features.[6]

While building codes require some accessible units, these are typically found in newer, elevator-served apartments, housing that is often unaffordable for low-income households and potentially less attractive to older adults who may wish to age in place.

Shortage of rentals for larger families

Larger affordable rental homes for families, including multigenerational and extended families, are scarce. Public engagement has highlighted that households of color are more likely to live in multigenerational arrangements, yet the housing market offers few large-family rentals to accommodate them. In response to this gap, the Metro Affordable Housing Bond prioritized family-sized units. As of 2024, about half of all bond-funded homes have two or more bedrooms.

Complex application fee, and deposit requirements

Complex or strict rental housing application processes continue to exclude many households. Standard rental screening criteria (e.g., high income-to-rent ratios, strict credit score minimums, criminal background checks, and extensive documentation) can disproportionately disqualify low-income families, immigrants, and people recovering from past instabilities. Language, literacy, and mobility barriers further impede applicants.

Moreover, those applying for rental housing may be subject to substantial upfront costs to access housing. Most housing operators charge application fees, making applying for multiple units challenging for those with limited resources. If a household does qualify for a unit, there may be substantial lump sums due at lease signing – often a security deposit and first month's rent. These costs can be thousands of dollars, even for an affordable unit. If a household has not yet received a reimbursement of previous security deposits or does not have access to additional resources (e.g. savings, loans, public assistance) the cost to access housing can be too great.

Inadequate funding for population-specific resident support services

Veterans, domestic violence survivors, individuals exiting homelessness, youth aging out of foster care, older adults, and other priority populations face distinct housing challenges that require

[6] ECOnorthwest. *OHNA Rulemaking – Potential Compliance Pathways*. Prepared for the Oregon Department of Land Conservation and Development. July 2025.

tailored housing models and services. Across these groups, existing programs are fragmented, underfunded, and insufficient to meet demand.

Gaps in fair housing enforcement, renter protections, and tenant/landlord education

While federal, state, and local laws prohibit housing discrimination and require reasonable accommodation, awareness and enforcement of these protections vary across jurisdictions and populations. The Fair Housing Council of Oregon reports receiving approximately 1,000 complaints annually from tenants in greater Portland. Statewide, the largest shares of bona fide complaints were based on disability, source of income, race, and sex (Fair Housing Council of Oregon, 2025). While discrimination persists locally and nationally, funding to support fair housing education, enforcement, and advocacy is being cut at the federal level.

Limited navigation and culturally specific provider networks

People of color, immigrant, and refugee communities often desire housing services delivered through trusted, culturally specific organizations because of a legacy of discrimination and mistrust of mainstream systems, and the failure of mainstream organizations to adapt their services to community needs. Despite state and regional efforts to better align funding opportunities with culturally specific and responsive investments, there remains a need to expand partnerships with culturally specific nonprofits, increase language-accessible navigation support, and fund targeted outreach efforts. It is also necessary to continue development of culturally responsive housing options that better meet the needs of underserved communities.

Lack of options for middle-income households: Middle-income households (earning 81–120 percent of AMI) face growing instability but are underserved by the private market. More work is needed to remove barriers and support incentives for "middle housing" development and to continue to expand public investments in alternative homeownership projects, such as those supported by the 2018 bond and state Local Innovation and Fast Track (LIFT) funds.

ENGAGEMENT PROCESS FOR DEVELOPING THIS RHCS

The engagement approach for developing Metro's RHCS focused on outreach and coordination with many individuals, governments and organizations. These efforts have centered on understanding barriers to housing production and equitable access and collecting ideas from a variety of perspectives about what Metro can do to fill regional gaps and support local work. The aim of this outreach was to foster stronger relationships with our partners and to create an effective strategy that can be feasibly implemented over the next six years.

Engagement goals and objectives

- The proposed actions in Metro's RHCS are informed by the barriers and needs identified by jurisdictions, industry experts, and community leaders.
- The proposed actions build upon lessons learned from Metro's existing programs and initiatives.

- The engagement process leads to a regional strategy that is responsive to the OHNA mandate and the shared goal of promoting housing production, affordability and choice.
- Engagement activities facilitate new connections, relationships and points of coordination between entities working to meet housing needs across the region.
- The engagement process for Metro's first ever RHCS informs the resources and approaches for future RHCS cycles so that it becomes integral and valuable to all entities in the region working to meet housing needs.
- Following the creation of the RHCS, the project team will reflect on project outcomes, identify areas for improvement and set up the next RHCS for success.

Key engagement phases and topics

There were several phases of engagement during the development of the RHCS. The primary intent of these phases was engaging with jurisdictional staff implementers, practitioners, advocates, service providers, and housing professionals with firsthand experience of the challenges in the region to hear their perspectives and ideas for actions for Metro to take.

The primary outcomes of the engagement activities were:

- A list of barriers to housing production and access
- A list of actions for Metro to take to promote housing production, affordability, access, and choice (the full list of action ideas generated through engagement can be found in Appendix 7)
- An evaluation framework to assess each action's impact on housing preservation and production, impact on affirmatively furthering fair housing, and organizational impact on resources and implementation feasibility.

More detailed information about each group involved in engagement is found in Appendix 6: Equitable engagement summary.

<u>Phase 1: Pre-scoping research and project preview (October 2024 – February 2025)</u>

During the initial phase of the project, the project team focused on conducting foundational research and early outreach to shape the scope of work and engagement plan. This work included a review of existing Housing Production Strategies (HPS) that identify Metro as an implementation partner and interviews with several local jurisdictions to hear initial thoughts about the RHCS and gauge interest in future engagement. Additional interviews with partner organizations centered on assessing interest in participating in the RHCS development and gathering early input on how the strategy might support their ongoing housing efforts.

Additionally, staff reviewed key findings from recent engagement efforts conducted as part of Metro's housing work, including Permanent Supportive Housing and Supportive Housing Services Implementation Engagement, Affordable Housing Investment Opportunities Community Engagement, and Affordable Housing Investment Opportunities Technical Engagement (see Appendix 6 for summaries of these engagement efforts). This scan of recent Metro housing

engagement helped inform the RHCS engagement plan by building on and leveraging relevant information and insights already shared by key industry stakeholders and experts.

Alongside this research, Metro introduced the project to MPAC and MTAC. Internal planning tasks included finalizing the project's scope of work, engagement plan, consultant contract, and Racial Equity Framework.

Activities:

- Pre-scoping research and interviews
- MTAC meeting number one
- MPAC meeting number one

Phase 2: Scope of work and engagement plan (February 2025 – April 2025)

Following pre-scoping research, the project team presented the proposed scope of work and engagement plan to a range of advisory and oversight bodies, including the Metro Council, CORE, MPAC, and MTAC. Additionally, an internal cross-departmental group convened to introduce the project more broadly within Metro. Staff reviewed the agency's existing efforts to support needed housing development, identified gaps in that work, and began collecting preliminary ideas for actions that could be incorporated into the RHCS. During this stage of engagement, the project team began to receive requests to present this work to outside groups such as the Washington County Planning Directors and 1000 Friends of Oregon. Responses to these requests resulted in additional opportunities to present this project and receive feedback.

Activities:

- Metro Council work session number one
- CORE meeting number one
- MTAC meeting number two
- MPAC meeting number two
- Internal cross-departmental Metro staff meeting number one
- Washington County Planning Directors meeting
- 1000 Friends of Oregon Land Use Leadership Initiative meeting
- Project web page created

Phase 3: Metro's roles in housing production, coordination, and access and barriers to meeting housing needs (April 2025-July 2025)

In this phase of engagement, events focused on understanding barriers to housing production and access and summarized these barriers into three categories – regulations and systems, market and financing, and equity and housing choice. Additionally, participants were asked to share their perspectives on the importance and impact of Metro's various housing-related roles on their own work and discuss the areas in which they would like to see continued investment. Some of these

conversations fed into new ideas for Metro to consider as part of the ongoing list of brainstormed actions. A key goal of this phase was to better understand how regional efforts can complement and support local housing initiatives through tools, capacity building, funding, convening, and other mechanisms.

An online survey tool was created during this period to provide a participation method for people who couldn't attend meetings. Feedback from that survey was combined with information collected during meetings.

Activities:

- Implementers Work Group meeting number one
- Clackamas County Coordinating Committee meeting number one
- Coalition member meeting: Oregon Smart Growth
- Coalition member meeting: Housing Oregon (an industry group of organizations that build, finance, and support affordable housing)
- Coalition member meeting: Home Building Association
- Focus group: Housing advocacy and provider coalitions
- Focus group: Development and financial professionals with experience in innovative approaches to affordable housing outside of LIHTC
- Focus group: Urban Native community-based organizations
- Metro Council work session number two

Phase 4: Preliminary list of actions and draft evaluation framework (May 2025 – July 2025)

Building on earlier engagement, this phase involved collecting ideas for specific actions that Metro might take to support housing production, affordability, and choice. These actions were considered through the lens of Metro's unique capabilities and responsibilities, with a focus on what is feasible and well-aligned with existing regional efforts or a new work program that would meaningfully address unmet needs. The feedback gathered during these activities also informed the development and refinement of an evaluation framework to filter and sort proposed actions.

Activities:

- Internal cross-departmental Metro staff meeting number two
- Implementers Work Group meeting number two
- MTAC meeting number three
- MPAC meeting number three
- CORE meeting number two
- Washington County Coordinating Committee (WCCC) and WCCC Transportation Advisory Committee

Phase 5: Evaluated and shortened list of actions and additional information about priorities (July 2025 - August 2025)

These engagement events shared results of the evaluation process and sought feedback on the resulting list of prioritized actions. The goal of this phase was to identify the most widely supported actions and continue to add details to the resulting "short list" to capture potential tradeoffs based on project budget and staffing impacts. Feedback during this engagement phase helped clarify community, jurisdictional, and internal priorities ahead of the public comment period.

Activities

- Implementers Work Group meeting number three
- MTAC meeting number four
- MPAC meeting number four
- Metro Council work session number three

Phase 6: Draft RHCS, public comment period, and preparation for adoption (September 2025 – December 2025)

The final phase of the project will focus on drafting the RHCS and preparing it for adoption. A public discussion draft, published in September, kicks off the public comment period to gather any final input on the draft strategy. The discussion draft will be shared with all the organizations and individuals that participated in the process and will be made available on the project web page for comment. This feedback, along with any final comments from MTAC and MPAC will be incorporated into the final version of the RHCS. Staff will present a final document to the Metro Council for consideration by the end of December 2025.

Activities:

- Implementers Work Group meeting number four
- Public comment period
- Share project information at Housing Oregon Conference
- MTAC meeting number five
- MPAC meeting number five
- MTAC meeting number six – recommendation of final strategy to MPAC
- MPAC meeting number six – recommendation of final strategy to Council
- Metro Council work session number four
- Metro Council meeting to consider a resolution to adopt the final RHCS

Summary of involved stakeholders

Implementers Work Group

Planning staff from the following jurisdictions were invited to participate in the Implementers Work Group. For larger jurisdictions with dedicated housing staff, an additional representative was invited, as indicated below.

- Beaverton – planning and housing staff
- Cornelius

- Fairview
- Forest Grove
- Gladstone
- Gresham – planning and housing staff
- Happy Valley
- Hillsboro – planning and housing staff
- Lake Oswego
- Milwaukie
- Oregon City
- Portland – planning and housing staff
- Sherwood
- Tigard
- Troutdale
- Tualatin
- West Linn
- Wilsonville
- Clackamas County
- Multnomah County
- Washington County
- Housing Authority of Clackamas County
- Washington County Housing Authority

Coalition member meetings

- Housing Oregon
- Home Building Association of Greater Portland
- Oregon Smart Growth

Focus groups

Housing advocacy and provider coalitions:

- Fair Housing Council of Oregon
- Welcome Home Coalition
- Here Together
- Coalition of Communities of Color
- Unite Oregon
- AARP

Development and financial professionals from the following organizations with experience in innovative approaches to affordable housing outside of LIHTC:

- Related NW

- Edlen & Co
- Community Development Partners
- Central Bethany Development
- Network for Oregon Affordable Housing (NOAH)
- ECOnorthwest

Urban Native community-based organizations:

- NAYA
- NARA
- Future Generations Collaborative
- Native Wellness Institute

Regional committees

- Washington County Planning Directors
- 1000 Friends Land Use Leadership Initiative (LULI)
- Clackamas County Coordinating Committee (C4 Metro Subcommittee)
- Washington County Coordinating Committee (WCCC and WCCC TAC)

Metro Council and advisory committees

- Metro Council
- MTAC
- MPAC
- CORE

EVALUATION OF POTENTIAL RHCS ACTIONS

Metro, in collaboration with its consultant team and through an engagement process, developed an approach for evaluating potential actions for inclusion in the RHCS. This evaluation framework assisted Metro in identifying actions that fit best with Metro's roles and responsibilities, match available or possible resources, aid local jurisdictions, and promote housing production and affirmatively further fair housing (AFFH). The evaluation framework provides a means of scoring potential actions and ensuring attention to a variety of topics, including fair housing issue areas identified in Oregon Administrative Rules.[7]

A weighted scoring system, summarized in Figure 19, places a high value (50 percent) on outcomes and was used to assess a refined list of actions. According to previous analysis in the 2024 UGR, the greatest needs are for affordable housing and middle-income housing. The two categories used in the evaluation process (housing production and AFFH) address affordability and middle-income housing.

[7] These Fair Housing issue areas apply to city and county Housing Production Strategies. Though they do not, as a matter of law, apply to Metro's RHCS, they were referenced in the RHCS action evaluation process as a useful means of addressing the topic of fair housing.

The remaining 50 percent of scoring is focused on legal and political viability, technical and financial feasibility, and whether the action is appropriate for Metro to undertake as the regional government.

Figure 19: Weighted scoring approach for RHCS action evaluation

C. Operational considerations and impact	
15%	C.1 Legal and political viability is high
15%	C.2 Implementation is straightforward or manageable within existing resources (staff and funding)
5%	C.3 Feasible to implement within the 6-year timeframe
15%	C.4 Metro is in the best position to conduct this activity; few organizations are currently working in this space
50%	C.5 Improves regional outcomes around housing production, accessibility, affordability, and AFFH

Having scored each potential action, Metro and its consultant team then reviewed the list of higher-scoring actions to ensure that a variety of housing production, preservation, and fair housing interests were addressed. Several actions that otherwise had scored lower were highlighted because they addressed the topics depicted in Figure 20 and were not unreasonable to implement. Additional details about evaluation results may be found in Appendix 4.

Figure 20: Topic categories used in the process of evaluating potential RHCS actions

A. Impact on housing production			
Assists cities with housing work	Increases housing production	Preserves and maintains housing that is affordable	Supports development of a mix of housing types (e.g. multifamily, ADUs, middle housing)

B. Impact on Affirmatively Furthering Fair Housing			
Supports accessible and adaptable housing	Supports access to affordable rental housing	Supports access to affordable homeownership	Supports access to community assets and mitigation of exposure to harms
Addresses issues associated with historically underserved or marginalized communities and protected classes	Addresses and disrupts patterns of segregation and their correlation with concentrated areas of affluence and poverty	Supports housing stability, anti-displacement and displacement mitigation	Supports access to permanent housing to resolve homelessness

ACTIONS METRO WILL UNDERTAKE

Analyses conducted in the 2024 UGR as well as for this RHCS (e.g., Appendix 3) identified multiple barriers to housing production, affordability, and fair housing. The actions that Metro will continue to take, and new actions described in this RHCS, are intended to address those barriers.

Metro's current and past efforts related to housing

Statutes instruct Metro, when completing its RHCS, to review and consider measures already implemented to promote the development of needed housing. That review has informed Metro as it considered possible actions for inclusion in the 2025 RHCS and can be found in Appendix 5.

Metro's engagement in promoting diverse housing dates to its origins in the late 1970s. Before Metro was formed, the Columbia Region Association of Governments (CRAG) had an even longer history. Metro's more recent history (2000s forward) illustrates its shift from its role as a policymaker and regulator towards its role as a convener, provider of data and analysis, advocate for best practices, and administrator of regional funding.

Metro's past and current work in the housing sphere can be grouped into several general categories:

- Regional policies
- Regulation
- Legislative advocacy and participation in rulemaking
- Sharing best practices and information
- Partnerships and collaboration
- Funding
- Broad community engagement and a focus on anti-displacement activities in corridor planning and the Metro Transit-Oriented Development program

Most notable among Metro's ongoing actions are the following, which emphasize Metro's focus on regional funding and coordination of that funding with policies:

- Regional affordable housing bond
- Supportive Housing Services funding
- 2040 Planning and Development Grants that support local housing planning
- Anti-displacement activities in corridor planning and the Transit-Oriented Development program

Legal limitations on Metro's actions

As additional context for the roles that Metro has filled in the past and what it can do in the future, it is worth noting at least two legal constraints on Metro's regulatory authority that guide Metro's focus on non-regulatory approaches. First, Metro's voter-approved Charter includes a prohibition

against Metro requiring residential density increases in single-family neighborhoods within the existing UGB. To some extent, this prohibition has been rendered moot by state requirements for local jurisdictions to allow middle housing in neighborhoods. However, this Charter provision does still bar Metro itself from requiring additional density in neighborhoods.

Second, Oregon Revised Statute 197A.465 (2) states that Metro may not adopt land use regulations that have the effect of:

- Establishing the sales or rental price for a housing unit or for residential land
- Requiring that a housing unit or residential land be designated for sale or rent to a particular class or group of purchasers or renters

Legal context for the RHCS

When the legislature created the OHNA program, it intentionally distinguished between regional Housing Coordination Strategies such as Metro's RHCS and local Housing Production Strategies. The program names themselves differentiate between regional coordination roles and local production roles. Additional differences in the way the two programs are described in statutes reflect Metro's unique role related to housing.[8]

The Oregon Land Conservation and Development Commission has adopted administrative rules implementing the OHNA program. While there are rules that direct cities regarding their Housing Production Strategies, there are no administrative rules directing Metro's RHCS. In support of the spirit of the OHNA program, Metro has referred to rules pertaining to city Housing Production Strategies for general guidance where applicable.

Equitable engagement

OAR 660-008-0200(1) describes community engagement requirements for cities when completing a Housing Production Strategy. While those rules do not apply to Metro's RHCS, Metro has conducted engagement in a manner consistent with these rules, but with an emphasis on coordinating with local governments, affordable housing and service providers, and housing developers. A summary of Metro's equitable engagement approach can be found in Appendix 6.

Actions to meet current and future housing need

As previously noted, when the legislature created the OHNA program, it intentionally omitted Metro from the state's housing production targets, leaving Metro responsible for conducting its own regional housing needs analysis in its urban growth management decisions. This legislative framework retained Metro responsibility for ensuring long-range regional growth capacity inside the UGB and added the responsibility of coordinating housing related activities with a regional perspective.

[8] For instance, the statute calls on Metro to "…include a list of actions… that the regional entity shall undertake to promote… actions that affirmatively further fair housing." This indicates an understanding that Metro's actions are several steps removed from activities, such as zoning, that are typically subject to Fair Housing laws.

OAR 660-008-0200(2) describes requirements under which cities must address housing production targets by affordability bracket that are set by the state under the OHNA program. These administrative rules make sense for the level of specificity achieved in a city Housing Production Strategy regarding housing types, characteristics, locations, affordability levels, fair housing issues, and the populations that may receive benefits or burdens from city actions.

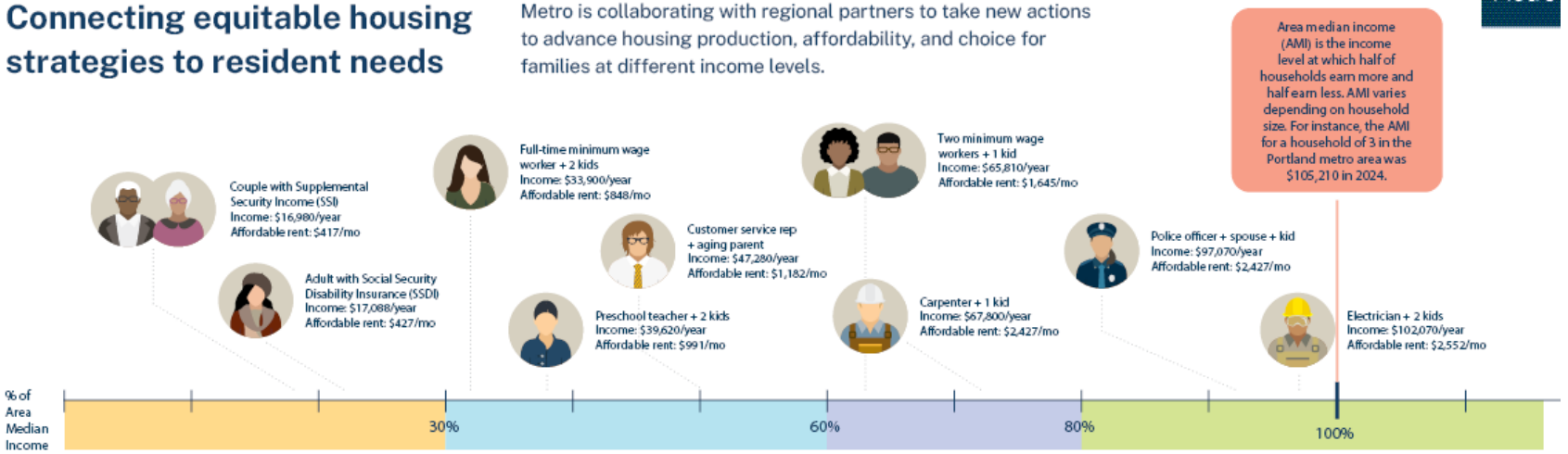
Because of the indirect nature of many of the actions that can be taken by Metro, it is not always possible for this RHCS to make clear connections between its existing and proposed actions and specific housing production numbers or other outcomes such as housing characteristics, housing locations, and fair housing outcomes that may be achieved. In many cases, actions to be taken by Metro are exploratory and outcomes are unknown at this time. For example, Metro's RHCS includes an action to explore the possibility of a regional land bank for housing. While this kind of study may highlight topics and facilitate policy discussion around priorities related to housing types, locations, characteristics, affordability, and fair housing outcomes that a land bank strategy might seek to achieve, the study itself will not be of direct benefit or burden to any particular population. Those impacts would depend on subsequent policy framework development and effective implementation of a land bank, pending Metro Council direction. In other cases, Metro's action provides a foundation for work to be done by others. An example of that kind of actions is local Housing Production Strategy Implementation Funding and Support.

Nonetheless, some RHCS actions generally focus on a range of affordability levels. The following infographic indicates which income groups are most likely to be addressed by the actions included in this RHCS.

REGIONAL HOUSING COORDINATION STRATEGY

Connecting equitable housing strategies to resident needs

Metro is collaborating with regional partners to take new actions to advance housing production, affordability, and choice for families at different income levels.



0-30% AMI

The private market does not provide housing affordable at this level. Units require deep construction subsidies and ongoing operating support, such as rental assistance vouchers, to remain affordable. Many households also benefit from on-site support services, which require additional funding or resources.

30-60% AMI

The private market does not provide housing at this income level. Regulated affordable units require construction subsidies but can typically operate without ongoing rental vouchers.

60-80% AMI

The private market provides limited new rental housing in this range, generally smaller units such as studios and one- bedrooms. This group also relies heavily on older rental housing sotck that has "filtered" down to become more affordable.

80-120% AMI

The private market provides rental units in a wider variety of sizes at this income level. It also begins to offer limited ownership opportunities, primarily condominiums, though the vast majority of options remain rentals.

The RHCS actions listed here will be advanced over the next six years (2026-2031)

0-30% AMI

ACTION #10: Improvements to voucher and other rental assistance policies and implementation.

0-80% AMI

ACTION #16: Affordable housing funding feasability

ACTION #9: Affordable housing operational stabilization strategy

ACTION #11: Regional affordable housing inventory and listing service

ACTION #5: Equitable access to regulated affordable housing

ACTION #6: Community co-design

ACTION #7: Innovative approaches

0-120% AMI

ACTION #1: Housing pre-development and technical assistance

ACTION #3: Local HPS implementation funding and support

ACTION #12: Regional land bank plan

60-120% AMI

ACTION #8: Middle housing assessment

ALL INCOMES

ACTION #2: Expand funding for the brownfield grant program

ACTION #4: Regionally available pool of housing professionals for technical assistance and staffing support

ACTION #13: Permitting dashboard

ACTION #14: Urban growth management functional plan housing audit

ACTION #15: Coordinated advocacy agenda

Income data source: HUD 2024 Median Income Percentages for the Portland Vancouver-Hillsboro MSA, SSDI 2024, SSI 2024, BLS May 2024. Affordable monthly housing costs are calculated at 30 percent of monthly income.

Overview of new actions to be taken by Metro

Table 1lists the actions that Metro will undertake in its six-year HCS cycle. Per Oregon Revised Statutes 197A.365 (6)(e), this table summarizes:

- The schedule for adoption or completion and implementation, if applicable (though the Metro Council will adopt this RHCS, many individual actions will not require subsequent Council adoption)
- The expected magnitude of impact on the development of needed housing[9]
- The timeframe over which the action is expected to impact needed housing

Additional details about actions and their anticipated impacts are also summarized in the narrative that follows, with more information available in Appendix 4. Consistent with administrative rules providing direction to cities, Metro has sequenced actions to prioritize those that maximize benefits and minimize burdens, particularly for low-income communities. Prioritizing low-income communities will have co-benefits for communities of color, individuals with disabilities, and tribal communities, which are also specifically mentioned in the administrative rules directing city Housing Production Strategies. Many strategies also reflect a ”targeted universalism” approach of removing barriers that disproportionately affect marginalized communities to improve access and outcomes for everyone.

These new strategies build on Metro’s existing portfolio of housing-related work. Those existing actions are described in Appendix 5 and include actions such sharing of best practice, 2040 Planning and Development Grants, which fund local housing planning, the regional Affordable Housing Bond, and Supportive Housing Services funding.

[9] Numeric estimates are not provided because Metro’s influence on housing production is indirect and because Metro’s RHCS is not intended to respond to a numeric housing target as local jurisdictions’ Housing Production Strategies are expected to do under the OHNA program.

Table 1: New actions to be taken by Metro

	ID	Action	Adoption or completion year	Implementation year	Impact on development of needed housing	Impact on housing affordability or choice	Timeframe for impact
Accelerate housing production	1	Housing pre-development and technical assistance	2026	2027	Low	Low	2030 onward
	2	Expand funding for the brownfield grant program	2026	2026	Medium	Medium	2028 onward
	3	Local HPS implementation funding and support	2026	2026	Medium	Low	2029 onward
	4	Regional pool of housing professionals for technical assistance and staffing support	2026	2026	Medium	Low	2027-2029
Research and assessment	5	Equitable access to regulated affordable housing	TBD	TBD	Low to none	Low to Medium	TBD
	6	Community co-design	2027	2027	Low to none	Low to Medium	TBD
	7	Innovative approaches	2026	2026	Medium	Medium	TBD
	8	Middle housing assessment	2027	2027	Low	Low	2029 onward
Convene and coordinate	9	Affordable housing operational stabilization strategy	2029	2026-2028	Medium	Medium to High	2026 onward
	10	Improvements to voucher and other rental assistance policies and implementation	2027	2027-2029	Low	Medium	TBD
New tools	11	Regional affordable housing inventory and listing service	2027	2027-2028	Low	Medium	2027-2028
	12	Regional land bank plan	2026	2027-2028	Low	Low	2029 onward

	ID	Action	Adoption or completion year	Implementation year	Impact on development of needed housing	Impact on housing affordability or choice	Timeframe for impact
	13	Permitting dashboard	2028	2028	Low	Low	Indirect effect
Policy	14	Urban Growth Management Functional Plan housing audit	2029	2027	Low	Low	5 years or longer
Funding and cross-sector collaboration	15	Coordinated legislative agenda	2027	2026	Medium to High	Medium	2029 onward
	16	Affordable housing funding feasibility	As determined by Council	As determined by Council	High	High	TBD

Summary of new actions to be taken by Metro

Oregon Administrative Rule 660-008-0200 describes the structure for city Housing Production Strategies. Though these rules do not apply to this RHCS, Metro has referenced them in the following summaries of actions included in the RHCS. In some cases, the information described in the administrative rules does not apply and is so noted.

Action #1: Housing pre-development and technical assistance

Description:	Create a new housing **pre-development and technical assistance** grant program for site specific housing development. May include site surveys, feasibility studies, design, permitting, etc.		
Additional information:	This action provides funding for pre-development activities necessary to unlock public properties and other properties where an owner is interested in developing affordable housing. This type of technical assistance can offset costs for land use studies and other pre-development activities including site surveys, feasibility studies, area plans and other activities that prepare sites for development. Prioritizes the production of multi-unit and middle housing units affordable at 120 percent AMI or below. In addition, this action can provide grants to local jurisdictions to support staff activities that accelerate permit reviews. Funding will come from the existing 2040 Planning and Development grant program. These grants will be broadly available for middle and multi-family housing types at a variety of affordability levels to ensure that the applicant pool is not limited, but preference will be given to affordable rental or ownership housing projects and those near transit and other community assets like transit, grocery stores, parks, etc.		
Adoption or completion year:	Formal adoption not required. Funding criteria and other programmatic details will be established in 2026. Grant distribution to non-government entities may require administrative rule updates.	**Implementation year:**	2027 onward
Critical steps to implement the action:	2026: Identify any changes required for the Construction Excise Tax language in Section 7.04 of the Metro Code and the associated Administrative Rules. Propose any changes to the Metro Chief Operating Officer and/or Metro Council as appropriate. Identify eligibility for grant funds and technical assistance with a goal to make technical assistance available to non-profits and faith-based organizations who own land. Identify funding availability and priorities for high density housing and affordability levels at or below 120 percent AMI to ensure that grant eligibility is not unduly limited. Establish rules, criteria, and procedures for the new program and funding levels. 2027 onward: Open grant program, solicit participation and enter into grant agreements to distribute funds over a period of several years.		
Proposed assessment and tracking of results:	Track the number of grant applications received and the number of grants awarded from January 2026 through July 2030 (the grant program is expected to be ongoing until funds are exhausted). Track the number of sites receiving assistance, the number, type, characteristics and	**Timeframe for expected impact on addressing housing need:**	2030 onward

	affordability of housing planned and ultimately built. Track site locations.		
Expected magnitude of impact:	**Production:** Low **Affordability/Choice**: Low	**Needed housing types expected to be produced:**	Addresses regional need for higher density apartments and middle housing.
Fair housing issues the action will mitigate or resolve:	**Direct effects:** Addresses issues associated with historically underserved or marginalized communities and protected classes. **Impacts based on program design:** Supports access to affordable rental housing; Supports access to affordable homeownership; Supports access to community assets and mitigation of exposure to harms; Supports housing stability, anti-displacement and displacement mitigation; Supports access to permanent housing to resolve homelessness.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Will produce rental and ownership opportunities affordable at 120 percent AMI or below.
Needed housing locations to address:	Available to every location in the Metro region with preference for affordable rental or ownership housing projects and locations near transit and other community assets like grocery stores, community centers, schools, parks, etc.		
Responsive to feedback theme:	Responsive to direct request for funding for site readiness that supports affordable housing production from several sources - the Housing Oregon survey, Implementers Work Group, and recent Metro Housing Department engagement.		
Populations that will benefit or be burdened by the action[10]:	This action will benefit households that need affordable housing. No burdens are anticipated.	**Complementary actions:**	• Regional available pool of housing professionals for technical assistance • Regional land bank plan

[10] Oregon Administrative Rules direct city Housing Production Strategies to include at least low-income communities, communities of color, individuals with disabilities, Tribal communities.

Action #2: Expand funding for the brownfield grant program

Description:	Expand **resources available for brownfield assessment** and explore grant opportunities for small scale remediation that leads to middle housing and multi-family housing development**.**		
Additional information:	This action would work to expand an existing Metro program currently providing Brownfields assessment grants in regionally identified transit corridors. New funding could expand the funding available for Phase I and Phase II environmental assessment and site reuse planning for housing production of multifamily and middle housing. Staff will explore funding sources to expand the program to include site cleanup. Funding is intended to be broadly available for a variety of housing types and affordability levels to ensure that the applicant pool is not limited.		
Adoption or completion year:	Formal adoption not required. A program exists for brownfields assessment, but expansion to include cleanup will depend on available funding. Could begin offering grants for assessment in 2026.	**Implementation year:**	2026 onward
Critical steps to implement the action:	2026: Determine whether amendments to Metro code are necessary to use grants as intended. Make Construction Excise Tax (CET) grant funding for Phase I and Phase II environmental assessment and site reuse planning available for housing production. Establish funding criteria to focus on higher density housing types. Preference for the production of affordable housing. Formalize reporting requirements in new grant agreements. Open grant program, solicit participation and enter into grant agreements to distribute funds. 2027 onward: Explore rule changes in the CET to allow the use of funding for small scale site cleanup activities, including oil tank removal, small scale soil removal, groundwater monitoring, installation of vapor barriers, and hazardous waste disposal, etc.		
Proposed assessment and tracking of results:	Track the number of brownfield grants Metro awards each year, the number of sites cleaned up, total acres remediated, and the number, type, affordability, and other characteristics of homes built on former brownfields.	**Timeframe for expected impact on addressing housing need:**	2028 onward
Expected magnitude of impact:	**Production:** Medium **Affordability/Choice:** Medium	**Needed housing types expected to be produced:**	Program would prioritize multi-unit and middle housing. It will also prioritize affordable rental and owner-occupied housing.

Fair housing issues the action will mitigate or resolve:	**Direct effects:** Program will prioritize cleanup in regionally identified centers, corridors, main streets, and station communities to increase housing options in high opportunity areas. **Secondary effects:** Supports access to community assets and mitigation of exposure to harms. **Impacts based on program design:** Supports access to affordable rental housing; Supports access to affordable homeownership; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Program will support housing of all types to increase overall regional production.
Needed housing locations to address:	Program will prioritize high-opportunity locations such as centers, corridors, main streets, and station communities.		
Responsive to feedback theme:	Feedback from Metro Council and MTAC requested the expansion of the existing brownfield grant program to produce additional needed housing.		
Populations that will benefit or be burdened by the action:	No burdens are anticipated. Based on the locational priorities and housing characteristics of the program, renters and transit riders, who are more often people with low incomes, communities of color, people with disabilities and tribal communities are most likely to benefit.	**Complementary actions:**	• Housing pre-development and technical assistance

Action #3: Local Housing Production Strategy (HPS) implementation funding and support

Description:	Funding and support for **local Housing Production Strategy implementation.**		
Additional information	The purpose of this action is to support the efforts of cities and counties to meet their housing production targets. This action provides grants to jurisdictions with approved Housing Production Strategies to help implement actions that are consistent with allowable uses for CET funds. Funding for Housing Production Strategies themselves is currently available through Metro' 2040 Planning and Development grant program.		
Adoption or completion year:	Formal adoption not required. Grants can be prioritized and funded through Metro's existing 2040 Planning and Development program and will be available in 2026.	**Implementation year:**	2026 onward
Critical steps to implement the action:	2026: Ensure that Metro grant programs can support the type of work cities and counties need to implement the actions in their Housing Production Strategies that have been approved by DLCD. Create criteria that require work to result in increased housing that meets specific housing mixes identified by the jurisdiction. Prioritize unit production at 120 percent AMI or below since public intervention is more necessary in that price range. Promote the availability of funds with the local jurisdictions. Create tracking requirements for cities to collect information about the number of units enabled or produced from the grant funding, including their affordability levels, type and geographic distribution.		
Proposed assessment and tracking of results:	Track the number of HPS implementation grant applications received, the number of grants awarded and completed from January 2026 through July 2030. Track the number of units enabled or produced from the grant funding, including their affordability levels, type and geographic distribution.	**Timeframe for expected impact on addressing housing need:**	2029 onward
Expected magnitude of impact:	**Production**: Medium **Affordability/Choice:** Low	**Needed housing types expected to be produced:**	All housing types
Fair housing issues the action will mitigate or resolve:	Local jurisdictions are responsible for addressing fair housing issues identified in their Housing Production Strategies and this funding will support their efforts. Because this action is intended to support implementation of city strategies that have been approved by DLCD,	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	This program would support the production of housing tenures and affordability levels prioritized by local jurisdictions in their production strategies

	grant eligibility criteria will not be overly prescriptive regarding housing types, locations, affordability, or other characteristics.		with a focus on 120 percent of AMI or below.
Needed housing locations to address:	Available to any location in the Metro region in jurisdictions that have had an HPS approved by DLCD.		
Responsive to feedback theme:	Responsive to direct request for regional funding to support local HPS implementation via the Implementers Work Group.		
Populations that will benefit or be burdened by the action:	This action will support the implementation of local HPSs, which respond to identified housing needs and which have been approved by the state. Funding this local work functions as regional coordination. The benefits and burdens of local HPS actions supported through this grant were determined in the approved local HPs.	**Complementary actions:**	• Regionally available pool of housing professionals for technical assistance and staffing support

Action #4: Regional pool of housing professionals for technical assistance and staffing support

Description:	Consider developing a **regional pool of housing professionals for technical assistance and staffing support** to smaller jurisdictions to support planning and implementation related to housing production, affordability and choice.		
Additional information:	This action explores how Metro can provide technical assistance to cities who need housing consultation and technical assistance, particularly to support their production of affordable housing. In addition, this action explores ways to fund staffing at jurisdictions to support current and long-range planning activities and housing production. The focus will be on the individual needs of the jurisdiction who request support, particularly needs that are articulated in an approved Housing Production Strategy.		
Adoption or completion year:	Formal adoption is not required. Changes will be implemented in 2026.	**Implementation year:**	2026 onward
Critical steps to implement the action:	2026: Update administrative rules to include eligible activities. Seek Metro COO approval for any Construction Excise Tax Administrative Rule updates. Establish funding levels and rules, criteria and procedures for the new program including tracking requirements for number of units, affordability and geographic distribution that results from the support. Create new criteria that prioritize the production of multifamily and middle housing and affordable housing. Create eligibility requirements that prioritize support for cities without necessary staffing to achieve their goals. Consider 25,000 in population or less (as measured in the last U.S. Census) or fewer than five staff members in their planning department. Clearly articulate how funds can be used to ensure that they provide specific technical expertise that results in housing production or for staffing assistance that enables jurisdictions to process more permits for housing. Solicit consultants for on-call list. Develop new agreement templates that require detailed tracking of results. 2027: Open program and award grants in regular cycles for several years.		
Proposed assessment and tracking of results:	Track the number of requests for access to on-call services, the length of service and feedback from jurisdictions on the effectiveness of the service. Require jurisdictions to report on housing units enabled (e.g., through zoning changes, streamlined permitting, or incentives) because of consultant support. Also require tracking of affordability levels, geographic distribution of units and benefits and burdens in the local community.	**Timeframe for expected impact on addressing housing need:**	2027-2029

Expected magnitude of impact:	**Production**: Medium **Affordability/Choice**: Low	**Needed housing types expected to be produced:**	Priority will be given to the particular needs of the cities who request support. It is anticipated that technical assistance will be more commonly needed for multi-unit (rentals and condos) because of its complexity and middle housing because builders have less familiarity.
Fair housing issues the action will mitigate or resolve:	**Direct effects**: Supports access to affordable rental housing. **Secondary effects**: Prioritizing multi-unit housing supports accessible and adaptable housing; Addresses issues associated with historically underserved or marginalized communities and protected classes by prioritizing affordable housing. **Impacts based on program design**: Supports access to affordable homeownership.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Priority will be given to the particular needs of the cities who request support.
Needed housing locations to address:	Locations will be region wide		
Responsive to feedback theme:	Direct request from local jurisdictions via the Implementers Work Group (especially to support smaller jurisdictions).		
Populations that will benefit or be burdened by the action:	This action will provide financial assistance to support the implementation of local HPSs, which respond to identified housing needs and which have been approved by the state. Funding this local work functions as regional coordination. Benefits and burdens of those actions are determined and managed by local jurisdictions.	**Complementary actions:**	• Local Housing Production Strategy implementation support and funding. • Housing pre-development and technical assistance

	Metro will track results for process improvements that reduce burdens.		

Action #5: Equitable access to regulated affordable housing

Description:	Evaluate lessons learned and effective practices from implementation of the 2018 Affordable Housing Bond; research models and best practices and develop and share recommendations with state and local funders to **strengthen fair housing and equitable access to affordable housing**. Incorporate recommendations into the implementation of any future Metro affordable housing funding implementation.		
Adoption or completion year:	No formal adoption or Council action is needed to share recommendations with state and local affordable housing funders, which is anticipated to occur no later than 2027. Timing of any Metro action to adopt recommendations into future Metro funding is subject to future Metro Council direction.	**Implementation year:**	Implementation is dependent on availability of new Metro funding and decisions by other funders to incorporate new funding requirements based on findings and recommendations.
Critical steps to implement the action:	Review and evaluate affirmative marketing, tenant screening, and geographic distribution and siting policies and practices of 2018 Metro Housing Bond. • Pre-scoping and consultant selection • Work plan refinement, including engagement Housing Bond Oversight Committee and jurisdictional partners to refine scope and approach • Review and categorize affirmative marketing and tenant selection policies and tools in affordable rental and homeownership projects funded by 2018 Metro Housing Bond; research alternative models • Evaluate impacts of marketing and tenant selection policies and practices based on post-occupancy reporting on application denials, accommodations, and tenant demographics, as well as through focused engagement with housing operators and developers Review Affirmatively Furthering Fair Housing (AFFH) outcomes related to geographic distribution of regulated affordable housing; develop AFFH geographic recommendations for future funding. • Identify and develop strategies to affirmatively further fair housing, addressing disparities in housing needs, promoting access to opportunity, and addressing patterns of segregation Develop recommendations and supportive tools, strategies and resources to strengthen approaches, potentially including but not limited to new reporting tools/templates and reporting requirements and AFFH geographic/location framework for future Metro funding. • Ensure that any proposed new funding requirements are informed by analysis of equitable benefits and costs/tradeoffs; make efforts to streamline and reduce unnecessary administrative burden		

Proposed assessment and tracking of results:	TBD – Dependent on findings of evaluation, recommendations.	**Timeframe for expected impact on addressing housing need:**	TBD – dependent on availability of new Metro funding and decisions by other funders to incorporate new funding requirements based on findings.
Expected magnitude of impact:	**Production: Low to none** Unlikely to result in new production. **Affordability/Choice: Low to Medium** Improvements to equity of access to regulated affordable housing, enhancing housing choice. Magnitude of impact depends on local adoption of recommendations and/or Metro Council referral and voter passage of new funding measure, which would provide opportunities to incorporate findings into implementation of future Metro investments.	**Needed housing types expected to be produced:**	Does not result in new production.
Fair housing issues the action will mitigate or resolve:	Potential to strengthen equity of access to regulated affordable housing through improvements to affirmative marketing and tenant selection practices. **Direct effects**: Supports access to affordable rental housing; Addresses issues associated with historically underserved or marginalized communities and protected classes; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty; Supports access to community assets and mitigation of exposure to harms. **Impacts based on program design**: Supports access to affordable homeownership.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Does not result in new production.
Needed housing locations to address:	Affirmative marketing and tenant selection practices are relevant for all affordable housing, regardless of location. AFFH locational framework is critical to support geographic distribution and siting of future affordable housing investments in locations that expand access to opportunities and amenities.		

Responsive to feedback theme:	Responsive to feedback from fair housing consultant and previous feedback from the Metro Affordable Housing Bond Oversight Committee.		
Populations that will benefit or be burdened by the action:	Dependent on adoption of recommendations and/or new funding, this work has strong potential to benefit underserved communities, including low-income communities, communities of color, individuals with disabilities, Tribal communities, immigrants and refugees, those with criminal justice system involvement and/or poor credit or eviction histories.	**Complementary actions:**	• Affordable housing funding feasibility • Affordable housing operational stabilization strategy • Improvements to voucher and other rental assistance policies and implementation

Action #6: Community co-design

Description:	Building upon lessons learned and best practices from the 2018 Metro Affordable Housing Bond and Metro's Transit Oriented Development (TOD) grant program, evaluate and advance opportunities to **strengthen requirements and incentives for community participation and co-design in the development and operations of Metro funded affordable housing**, to support the creation of housing that is designed and operated to be culturally responsive to the needs of historically marginalized populations. Identify opportunities for Metro to support capacity building for community based and culturally specific organizations to participate in affordable housing development and operations through future housing funding allocation and/or program requirements or criteria that incentivize partnerships that benefit community based and culturally specific organizations.		
Adoption or completion year:	No formal adoption or Council action is needed to share recommendations with state and local affordable housing funders, as well as Metro TOD program review, is anticipated to occur no later than 2027. Timing of any Metro action to adopt recommendations into future Metro funding is subject to future Metro Council direction.	**Implementation year:**	Initial findings no later than 2027
Critical steps to implement the action:	Engage Housing Bond Oversight Committee and jurisdictional partners to refine scope and approach. Select consultant and develop work plan and engagement plan; ensure considerations to minimize burdens related to information gathering on jurisdictional and nonprofit partners. Evaluate best practices in community co-design • Review current and emerging practices and assess outcomes of community co-design in affordable housing development projects • Engage developers, community based and culturally specific organizations to understand barriers and opportunities to strengthen outcomes related to tenant stability and satisfaction • Develop an assessment or survey to gather information about tenant stability and satisfaction related to culturally responsive design and services in a subset of properties with culturally specific design and services • Identify and document effective practices, and evaluate needs and barriers to scaling them up Develop recommendations and advance strategies to support their implementation by Metro or partners • Develop and share findings and recommendations with Housing Oregon, OHCS and local jurisdictional partners to inform local funding priorities and criteria		

	• Identify and implement changes to Metro funding requirements to strengthen community co-design outcomes for Metro funded affordable housing projects, including TOD funding and any future funding for affordable housing • Identify and implement changes to TOD program criteria as needed to strengthen community co-design • Identify, design and implement criteria or requirements through new Metro funding measure, contingent on Council direction and measure passage • Ensure that any proposed new funding requirements are informed by analysis of equitable benefits and costs; make efforts to streamline and reduce unnecessary administrative burden		
Proposed assessment and tracking of results:	Rates of involvement from community-based and culturally specific organizations, particularly service organizations, in the development and ownership/operations of future Metro-funded homes. Ongoing tenant stability outcomes Tenant satisfaction data, as feasible to collect.	**Timeframe for expected impact on addressing housing need:**	TBD – Dependent on timing of availability of funding.
Expected magnitude of impact:	**Production: Low to None** Unlikely to directly increase production **Affordability/Choice: Low to Medium** Potential improvement of quality and operational stability of housing through increased participation of community-based and culturally specific organizations in housing development process, resulting in more responsive and equitable planning and design. Magnitude of impact depends on funder adoption of recommendations and/or Metro passage of new funding measure, which would provide opportunities to incorporate findings into the implementation of new affordable housing funding.	**Needed housing types expected to be produced:**	N/A

Fair housing issues the action will mitigate or resolve:	Potential improvements in resident choice and satisfaction, service and tenancy outcomes. **Direct effects:** Addresses issues associated with historically underserved or marginalized communities and protected classes.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	N/A
Needed housing locations to address:	All		
Responsive to feedback theme:	Responsive to feedback received from focus groups with coalitions engaged in affordable housing advocacy and service providers and organizations working with urban Native community members, as well as previous feedback from the Affordable Housing Bond Oversight Committee. Approach reflects feedback from jurisdictional partners that Metro should include consideration of administrative burden and cost/tradeoffs associated with implementation.		
Populations that will benefit or be burdened by the action:	Dependent on adoption of recommendations and/or new funding, this work has strong potential to benefit low-income communities, communities of color, individuals with disabilities, Tribal communities, immigrants and refugees, households exiting homelessness.	**Complementary actions:**	• Affordable housing funding feasibility • Affordable housing operational stabilization strategy • Equitable access to regulated affordable housing

Action #7: Innovative approaches

Description:	Research, evaluate and identify opportunities to advance **innovative and non-LIHTC approaches to housing** development/construction, financing, and ownership that present **opportunities to reduce costs, diversify housing types, and strengthen outcomes** for groups most impacted by housing instability. This research is intended to build upon previous Metro research and engagement in 2024 to evaluate affordable housing investment opportunities. The 2024 study scope included consideration of rental housing development gap funding, acquisition/conversion, preservation, and complementary investments such as land acquisition/banking, predevelopment funding, and operating support and risk mitigation, as summarized in Metro's report, Evaluation of Affordable Housing Investment Opportunities. Based on feedback collected through the 2024 engagement process as well as 2025 engagement related to the RHCS, Metro has identified additional areas of research/engagement related to future affordable housing funding opportunities. This action seeks to fill gaps in previously conducted research by exploring and evaluating areas of innovation not previously explored, including: • Modular and manufactured housing and cross-laminated timber and smaller or expandable designs • **Social housing and alternative ownership** models, including CLT and resident-owned multi-family housing models • Innovative financing approaches to support development and operations of **smaller scale (<20 unit) building types**, including PSH Assess barriers and identify opportunities to pilot or scale up innovative approaches; approach would include engagement with public, private, and philanthropic partners to support coordinated research, development and investment strategies.		
Adoption or completion year:	Initial findings by 2026.	**Implementation year:**	Identify 1-2 pilot opportunities by 2027.
Critical steps to implement the action:	• Preliminary research and engagement to refine scope and focus, including identifying areas where Metro can add value and not duplicate existing efforts • Consultant selection and work plan development • Work plan development, including engagement plan and racial equity framework • Targeted research, expert engagement, barriers and opportunities evaluation • Develop prioritized recommendations, including considering tradeoffs and broader opportunity analysis of future investment priorities		

	• Identify or secure funding to pilot or scale up innovative approaches, as prioritized or recommended through research, engagement, and evaluation alongside other previously researched investment opportunity areas • Create implementation plan or next steps to advance recommendations		
Proposed assessment and tracking of results:	Units produced through Metro investments in innovative/pilot strategies. Regulated affordability level (average AMI level or % below market rate), PSH set aside, and unit size compared to LIHTC funded affordable housing. Average cost per unit compared to LIHTC funded affordable housing. Time from concept to occupancy. Resident stability and satisfaction, if feasible to collect.	**Timeframe for expected impact on addressing housing need:**	Unknown
Expected magnitude of impact:	**Production: Medium** Potential expansion of housing production through efforts to scale successful approaches that lower costs, increase speed, improve financial efficiencies, or improve resident outcomes. **Affordability/Choice: Medium** Potential to address gaps in availability and access, especially for high-demand alternative ownership models.	**Needed housing types expected to be produced:**	All types
Fair housing issues the action will mitigate or resolve:	Potential expansion of alternative ownership models that could improve outcomes for resident stability, governance, and wealth creation. Potential reduction in cost or diversification of rental housing production models to expand unit	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	All – especially affordable rental and alternative ownership models.

	production or ability to fill gaps in housing options and thereby expand housing choice. **Direct effects**: Supports access to affordable rental housing; Supports access to affordable homeownership.		
Needed housing locations to address:	All		
Responsive to feedback theme:	Responsive to focus group with development and financing professionals and cited through local Housing Production Strategies' engagement. These concepts arose in previous Metro Housing Department engagement and were supported by Metro Councilors in their May work session.		
Populations that will benefit or be burdened by the action:	Benefit: • Low-income communities • Communities of color • People experiencing or at risk of homelessness	**Complementary actions:**	• Affordable housing funding feasibility • Affordable housing operational stabilization strategy • Regional land bank plan • Equitable access to regulated affordable housing • Community co-design

Action #8: Middle housing assessment

Description:	Conduct an **assessment of middle housing** in the region to identify best practices and common barriers.		
Additional information:	The purpose of this program is to understand how Metro can expand the development of middle housing in more cities around the region. Currently middle housing is occurring in Portland, particularly SE and NE Portland. An assessment of best practices and common barriers will consider actions needed at the local or regional level, including a promising practices guidebook on middle housing useful for local governments or other resources to use in support of goal 10 planning. The study of middle housing will also seek to understand affordability of these housing types in the region.		
Adoption or completion year:	No formal adoption necessary. Assessment will be completed in 2027.	**Implementation year:**	2027 onward
Critical steps to implement the action:	2026: Develop proposed work program, ensure adequate staff and financial resources to conduct study, conduct study, finalize study, seek Council direction on next steps. 2027 onward: Implementation with approach dependent on results of study and Council direction.		
Proposed assessment and tracking of results:	Urban growth reports will continue to report on housing production by housing type, including middle housing. Metrics to track the results of this action will be proposed through the course of the assessment and are dependent on what the study shows but could include metrics that track local adoption of best practices.	**Timeframe for expected impact on addressing housing need:**	2029 onward
Expected magnitude of impact:	**Production**: Depends on actions taken in response to the assessment; the impacts of developing the assessment itself are low. **Affordability/Choice:** Low	**Needed housing types expected to be produced:**	Middle housing
Fair housing issues the action will mitigate or resolve:	To be determined in study; focus would be on broadening housing variety throughout the region, creating relatively more affordable housing choices where few currently exist. **Secondary effects**: Supports accessible and adaptable housing; Addresses issues associated	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	The focus is home ownership opportunities for households earning 60 to 120 percent AMI.

	with historically underserved or marginalized communities and protected classes; Supports housing stability, anti-displacement and displacement mitigation. **Impacts based on program design:** Supports access to affordable rental housing; Supports access to affordable homeownership; Supports access to community assets and mitigation of exposure to harms; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty; Supports access to permanent housing to resolve homelessness.		
Needed housing locations to address:	Neighborhoods with varied market conditions throughout the region.		
Responsive to feedback theme:	Idea generated from the Home Building Association Government Affairs meeting and responsive to priorities around disrupting segregation, encouraging middle housing production, and encouraging additional homeownership opportunities.		
Populations that will benefit or be burdened by the action:	Households earning less than 120 percent AMI.	**Complementary actions:**	• Innovative approaches (Evaluate alternative affordable housing models)

Action #9: Affordable housing operational stabilization strategy

Description:	Develop or support the development of a coordinated **affordable housing operational stabilization strategy** to respond to industry-wide challenges due to rising operational costs, increased resident needs, and lack of coordination/alignment with homeless and supportive services. This strategy will result in recommendations for concrete actions for Metro and state/local partners to take to address operational stabilization needs, potentially including but not limited to: adjustments or flexibility to established regulatory agreements, coordinated actions to address vacancies and streamlined referrals, and coordination to secure new funding for operational stabilization.		
Adoption or completion year:	Strategy will be developed in 2026.	**Implementation year:**	2026-2028
Critical steps to implement the action:	• Research and partner engagement to inform project scoping, high level resource planning • Consultant selection *(if applicable - TBD)* • Work planning and project alignment • Review of existing efforts (engagement, financial analysis, policy and advocacy efforts, involved parties), compilation of findings and assessment of additional engagement and analysis needed • Supplemental engagement, research, analysis • Development of recommended actions; evaluation of feasibility and impact, implementation considerations; proposed assessment and results tracking • Engagement with partners to support implementation of identified strategies		
Proposed assessment and tracking of results:	TBD – Dependent on identified strategies Likely to include metrics of affordable housing property and/or organizational stability, including but not limited to: • Impact on Debt Coverage Ratio (DCR) • Vacancy rates / loss • Arrearages / rent collection rates • Units preserved or stabilized, by affordability level	**Timeframe for expected impact on addressing housing need:**	Strategy will result in at least 1-2 Metro led actions that can be implemented in 2026-2027 to have an immediate impact on stabilization needs.
Expected magnitude of impact:	**Production: Medium** Could prevent foreclosure and reduce risk of losing affordable housing stock, reduce project	**Needed housing types expected to be produced:**	Stabilization of existing affordable (0-60 percent AMI) units and PSH, which impacts ability of organizations to

	costs and expedite projects by reducing the need for debt financing. **Affordability/Choice: Medium to High** Could improve access to deeply affordable and PSH units through reducing some of the risk associated with underwriting these types of projects; increase diversity of housing offerings through stabilizing smaller community-based and culturally specific developers/operators, allowing them to maintain financial stability necessary to pursue new developments; improve resident outcomes.		continue investing in development of new affordable housing.
Fair housing issues the action will mitigate or resolve:	The operational instability of specific properties serves as a deterrent for operators to implement lower-barrier screening criteria for households exiting long-term homelessness or with other significant barriers to stability to move into and remain in their properties. Addressing risks improves conditions for adopting more supportive tenant selection practices, enhancing equity in access and stability. **Direct effects**: Supports access to affordable rental housing; Supports housing stability, anti-displacement and displacement mitigation; Supports access to permanent housing to resolve homelessness.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Regulated affordable rental housing properties that include deeply affordable and PSH units.
Needed housing locations to address:	Locations of existing regulated affordable housing properties, which are geographically distributed across the region.		
Responsive to feedback theme:	The need for strategies to address operational challenges to stabilize properties, residents, and operators a recurrent theme during recent Metro Housing engagement related to housing production, as well as recent RHCS focused engagement with Housing Oregon membership. There are a number of potential actions Metro and/or partners could take to address these challenges. These actions will benefit from a comprehensive and coordinated approach to support cross-jurisdictional coordination and alignment, given the need to prioritize		

	limited resources to address significant and urgent needs that have an immediate impact on the stability of affordable housing organizations and residents.		
Populations that will benefit or be burdened by the action:	This strategy development is intended to disproportionately support those with no or very low income, communities of color, individuals with disabilities, older adults, people exiting homelessness, people with criminal justice involvement, poor credit and/or rental histories, or other screening barriers.	**Complementary actions:**	• Housing pre-development and technical assistance • Affordable housing funding feasibility • Equitable access to regulated affordable housing • Regional affordable housing inventory and listing service • Improvements to voucher and other rental assistance policies and implementation • Coordinated legislative agenda

Action #10: Improvements to voucher and other rental assistance policies and implementation

Description:	**Evaluate and improve voucher and other rental assistance policies and implementation** to address portability challenges, shifting market conditions impacting affordable housing, and to connect available vouchers with vacant regulated affordable housing units.		
Adoption or completion year:	Assessment to be completed by 2027. Adoption of new policies and practices is subject to existing governance structures for SHS-funded RLRA vouchers and other resources.	**Implementation year:**	2027-2029
Critical steps to implement the action:	• Engage county partners and housing authorities to inform scope development • Consultant contract (if applicable) • Evaluate voucher and other rental assistance policies and implementation • Engage partners in developing and implementing barrier mitigation actions; identify cross-county transfer coordination needs and resources • Create additional policies, partnerships, and workflows as needed, to support portability and streamlined placement of households with vouchers into existing regulated affordable units; apply racial equity lens • Develop an implementation strategy to support partners in adopting policy and workflow changes, potentially including development of Metro-led trainings and technical assistance tools and resources, to support implementation and responsiveness to shifting needs and conditions • Develop a framework for ongoing monitoring and evaluation of outcomes		
Proposed assessment and tracking of results:	This is subject to existing governance structures for funding/programs. Metro will convene coordination conversations and seek to build consensus around shared metrics, which could include: • Number of requests vs. successful cross-county transfers or coordinated entry referrals • Reasons for denial where applicable • Regulated housing operator placement requests for tenant-based vouchers vs. successful placements	**Timeframe for expected impact on addressing housing need:**	TBD – Dependent on decision-making through existing governance structures for RLRA and other rental assistance; potential for phased improvements over time.

Expected magnitude of impact:	**Production: Low** Streamlined connection between voucher-served households and existing units could support enhanced operational stability for some housing providers, creating more opportunities for expansion of deeply affordable units and PSH. **Affordability/Choice: Medium** Improvements to portability are likely to improve choice for households wishing to relocate across county lines (between Clackamas, Multnomah, and Washington counties); potential improvements to affordability through operational stabilization for distressed properties achieved through voucher and available unit matching.	**Needed housing types expected to be produced:**	N/A
Fair housing issues the action will mitigate or resolve:	This action supports housing choice for voucher-holders. **Direct effects**: Supports access to affordable rental housing; Supports access to community assets and mitigation of exposure to harms; Supports housing stability, anti-displacement and displacement mitigation; Supports access to permanent housing to resolve homelessness **Secondary effects**: Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	N/A
Needed housing locations to address:	All		
Responsive to feedback theme:	Responsive to feedback from Metro jurisdictional partners for SHS, Housing Oregon member organization, and Metro Councilors as well as previous feedback from Metro advisory and oversight committee members.		

Populations that will benefit or be burdened by the action:	Benefit- Households exiting homelessness, people living with low-income, communities of color, individuals with disabilities, older adults.	**Complementary actions:**	• Affordable housing funding feasibility • Regional affordable housing inventory and listing service • Affordable housing operational stabilization strategy

Action #11: Regional affordable housing inventory and listing service

Description:	Develop a centralized **regional affordable housing inventory and listing service** to support housing navigators and seekers in connecting with information about available affordable housing units that meet their needs across the region.		
Adoption or completion year:	Regulated housing inventory build-out and listing service plan by 2027.	**Implementation year:**	Listing 2027-2028, contingent on securing funding.
Critical steps to implement the action:	Data framework and regional affordable housing inventory (RAHI) development (2026) • Engage state and local funding/jurisdictional partners to develop data framework and scope • Jurisdictional coordination to develop consolidated and consistent inventory data • Plan for engaging owners/operators to review and update data gaps • Coordination with Metro data research center to support integration of RAHI data into RLIS (Metro public GIS data) Regional affordable housing listing service plan (2027) • Best practice and market scan of inventory and listing platforms, market scan • Evaluation of internal capacity and ongoing maintenance needs • Engage jurisdictional partners, housing operators, property managers and end users (e.g., housing navigators and housing seekers) to understand functionality needs • Develop procurement and funding strategy Listing service design, build-out and implementation (2027-2028)		
Proposed assessment and tracking of results:	Site analytics, including active user base, will demonstrate impact and use of website.	**Timeframe for expected impact on addressing housing need:**	Metro's goal is to launch a listing service by 2027-2028, which is when the platform would begin to impact housing choice.
Expected magnitude of impact:	**Production: Low** Unlikely to have direct impact on production. **Affordability/Choice: Medium** Aims to create greater opportunities for those interested in finding affordable housing to easily access the various buildings and units in the region with an interactive map and links to	**Needed housing types expected to be produced:**	N/A

	building websites and waitlists. Could create efficiencies and improve opportunities for accessing housing with needed amenities or services, accessibility features and affordability levels.		
Fair housing issues the action will mitigate or resolve:	By providing information about the region's affordable housing units through a centralized platform, the website will help reduce barriers to housing choice and increase access to accessible housing. **Direct effects**: Supports accessible and adaptable housing; Supports access to affordable rental housing; Supports access to community assets and mitigation of exposure to harms; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty; Supports access to permanent housing to resolve homelessness. **Secondary effects**: Addresses issues associated with historically underserved or marginalized communities and protected classes; Supports housing stability, anti-displacement and displacement mitigation. **Impacts based on program design**: Supports access to affordable homeownership.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	N/A
Needed housing locations to address:	N/A		
Responsive to feedback theme:	Responsive to Portland's Housing Production Strategy, feedback received from Metro's Housing Bond Oversight Committee and the SHS Tri-County Planning Body, and from Metro Councilors		
Populations that will benefit or be	Benefits: • Low-income communities	**Complementary actions:**	• Affordable housing funding feasibility

burdened by the action:	• Communities of color • Individuals with disabilities • Tribal communities • Older adults • Households exiting homelessness		• Affordable housing operational stabilization strategy • Improvements to voucher and other rental assistance policies and implementation

Action #12: Regional land bank plan

Description:	Develop a plan for a **regional land bank** that outlines the necessary legal framework, governance structures, and operational guidelines to support cross-sector collaboration and investment. Define clear policy priorities, including considerations related to Affirmatively Furthering Fair Housing, market conditions and funding opportunities.		
Additional information:	This effort will study ways to expand land banking activities in the region. Short-term actions may involve growing or expanding land bank functions within Metro and longer-term actions will explore the creation of a land bank authority for the region. Funding sources for these efforts might include state, federal, and philanthropic partnerships. A revolving acquisition fund at Metro or a new entity is a concept to be explored.		
Adoption or completion year:	Formal adoption is not required to initiate work. Formal adoption may be required at a future date depending on the details of implementing a regional land bank. Proposed land bank plan will be completed in 2026.	**Implementation year:**	Expansion of an existing regional land bank could occur beginning in 2027, pending Metro Council direction and the identification of a funding source. Starting a new entity might begin as early as 2028.
Critical steps to implement the action:	2026: Develop proposed work program, ensure adequate staff and financial resources to conduct study, conduct study and engagement with local jurisdictions and other partners, share results. 2027: Seek Council direction on next steps and begin regional discussions to build partnerships. 2027 onward: pending Council direction, initiate steps to establish a regional land bank authority. Finalize details including details on housing types, locations, and characteristics that would be the focus of the land bank. For implementation to occur, critical steps will include identifying and securing funding for land acquisition, holding, and programmatic costs.		
Proposed assessment and tracking of results:	To be determined in study. Possible metrics could include numbers, types, affordability levels, and accessibility of homes built in land bank areas, acres held in the land bank, share of land in high-opportunity areas (or centers, corridors, main streets, and station communities) number of culturally-specific housing providers served.	**Timeframe for expected impact on addressing housing need:**	2029 onward
Expected magnitude of impact:	**Production:** Depends on implementation of plan; the impact of developing the plan itself is low.	**Needed housing types expected to be produced:**	Will prioritize middle housing and multi-unit housing.

	Affordability/Choice: Low		
Fair housing issues the action will mitigate or resolve:	To be determined in study; goal would be disrupting patterns of housing segregation by purchasing land in areas with concentrations of affluence and in high-opportunity areas with access to amenities and services. **Direct effects:** Supports access to affordable rental housing; Supports access to affordable homeownership; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty. **Secondary effects**: Supports accessible and adaptable housing. **Impacts based on program design:** Supports access to community assets and mitigation of exposure to harms; Addresses issues associated with historically underserved or marginalized communities and protected classes; Supports housing stability, anti-displacement and displacement mitigation; Supports access to permanent housing to resolve homelessness.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Will prioritize the production of affordable housing at 120 AMI and below.
Needed housing locations to address:	To be determined in study; intent is to disrupt patterns of segregation and support anti-displacement policies.		
Responsive to feedback theme:	An early idea generated from a pre-scoping interview with Habitat for Humanity and Proud Ground and received broad support from the Implementers Work Group, MTAC, and several Metro Councilors as a strategy to disrupt segregation, support affordable homeownership, and address increases in land values.		
Populations that will benefit or be burdened by the action:	To be determined in the study.	**Complementary actions:**	• Affordable housing funding feasibility • Expand funding for brownfield grant program

			• Equitable access to regulated affordable housing • Regional affordable housing inventory and listing service • Community co-design • Innovative approaches

Action #13: Permitting dashboard

Description:	Explore how to create a **permitting dashboard** to track permitting times across the region.		
Additional information:	The purpose of this action is to consider the creation of a new online dashboard to track the length of permitting times around the Portland Metro area for the variety of housing types. There is no central location where all cities and counties in the Metro area share permitting information or a common software system used in every jurisdiction. This poses significant challenges to producing a dashboard. This exploration will endeavor to address these challenges and produce a public, online permitting dashboard that can be regularly updated.		
Adoption or completion year:	Formal adoption not necessary. Dashboard, pending availability of data and resources to maintain it, would be completed in 2028.	**Implementation year:**	2028 onward, pending availability of data and resources to maintain the dashboard.
Critical steps to implement the action:	2026: Develop proposed work program, including details about what data would be collected and reported, ensure adequate staff and financial resources to implement dashboard, collect data on an ongoing basis 2027: Make determination about whether adequate resources exist to publish and maintain web page. 2028 onward: publish and update web page on a periodic basis.		
Proposed assessment and tracking of results:	The action itself is an exercise in tracking results; metrics assessing the program itself could include web page usage statistics.	**Timeframe for expected impact on addressing housing need:**	Indirect impacts on housing mean that it is not possible to establish a timeframe.
Expected magnitude of impact:	**Production:** Low **Affordability/Choice:** Low	**Needed housing types expected to be produced:**	Would not produce housing, but would track permitting of all types.
Fair housing issues the action will mitigate or resolve:	Patterns of segregation – the dashboard would highlight locations where permits are not being filed or locations where permitting timelines are longer. The dashboard may also include information about housing accessibility.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Work program would identify housing characteristics that could be tracked.
Needed housing locations to address:	Dashboard would identify over-and-under-performing locations around the region.		
Responsive to feedback theme:	Concept generated from the focus group with the Home Building Association and some support from Metro Councilors and MPAC as a tool to track production trends across the region, identify barriers, and highlight successful jurisdictional progress.		

Populations that will benefit or be burdened by the action:	Not applicable; would track all permitting times for all housing	**Complementary actions:**	• Regional affordable housing inventory and listing service • Middle housing assessment

Action #14: Urban Growth Management Functional Plan housing audit

Description:	Begin a Metro **Urban Growth Management Functional Plan audit and cleanup** of housing-related titles to align with new State requirements and regional priorities as identified in the 2027 Future Vision.		
Adoption or completion year:	2029	**Implementation year:**	Code housekeeping began in 2025; follow up amendments to housing code will be adopted in 2029; cities and counties have two years from acknowledgement of Metro code amendments to update their own plans for compliance.
Critical steps to implement the action:	2025-2026: Develop package of housekeeping edits and provide for approval by MTAC, MPAC and Metro Council. 2026 -2027: Develop proposed work program informed by the new Future Vision and updated Framework Plan. 2028: Conduct audit, share results of audit with advisory committees and Council. 2029: Seek Council direction on next steps, including any amendments.		
Proposed assessment and tracking of results:	Proposed metrics for the code audit could include: number of regulatory barriers identified/removed and feedback from local jurisdictions on impact to their housing production starting a year after adoption.	**Timeframe for expected impact on addressing housing need:**	Long term; five years or more
Expected magnitude of impact:	**Production:** Depends on actions taken in response to the assessment; the impacts of developing the assessment itself are low. **Affordability/Choice**: Low	**Needed housing types expected to be produced:**	All types, with a focus on middle housing and multi-unit housing.
Fair housing issues the action will mitigate or resolve:	Focus would be on broadening housing variety throughout the region, creating relatively more affordable housing choices where few currently exist. **Secondary effects**: Supports access to community assets and mitigation of exposure to harms.	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	Action focuses on the production of housing at all tenure and levels of affordability.

Needed housing locations to address:	Urban centers, corridors, main streets, station communities and neighborhoods.		
Responsive to feedback theme:	Generated through an internal staff meeting to respond to requests from the Implementers Work Group to examine internal processes for opportunities for clarity and simplification.		
Populations that will benefit or be burdened by the action:	No burdens are anticipated. If housing production increased within six years as a result. Location depends on local jurisdictional decisions.	**Complementary actions:**	• Middle housing assessment

Action #15: Coordinated legislative agenda

Description:	Convene jurisdictional partners to develop a **coordinated legislative agenda for state and federal housing/homelessness resources**, including a regional priority to identify funding for infrastructure. The agenda would be updated as needed to meet changing regional needs (or every six years) and guided by engagement with appropriate Metro advisory committees for land use, housing and homelessness, engagement with jurisdictions, and consultation with interested Tribes.		
	This action positions Metro as the regional amplifier of priorities, with a focus on infrastructure, land readiness, and cross-jurisdictional coordination.		
Adoption or completion year:	2027. Formal adoption not required.	**Implementation year:**	2026
Critical steps to implement the action:	• Convene or engage jurisdictional and interested Tribal partners and Metro advisory committees to identify potential priorities based on guiding principles/values as established by Metro Council • As needed, conduct research, analysis and technical engagement to inform potential strategies • Evaluate feasibility and impact of potential strategies to support prioritization of strategies • Engage advisory committees and Metro Council to inform final list of strategies		
Proposed assessment and tracking of results:	Results will be tracked after three years. It may take multiple state legislative cycles to realize results. Information to track includes: • Amount of state/federal funding secured for housing and infrastructure through this effort • Units enabled • Equity outcomes (e.g., share of funds directed to underserved communities)	**Timeframe for expected impact on addressing housing need:**	2029 onward
Expected magnitude of impact:	**Production**: Medium to High **Affordability/Choice:** Medium	**Needed housing types expected to be produced:**	All housing types, with an emphasis on high-density and middle housing types and affordable rental and home ownership opportunities.
Fair housing issues the action will mitigate or resolve:	**Impacts based on identified focus areas:** Supports accessible and adaptable housing; Supports access to affordable rental housing;	**Needed housing characteristics to produce, including at a**	Action focuses on the production of housing at all tenure and levels of affordability.

	Supports access to affordable homeownership; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty; Supports housing stability, anti-displacement and displacement mitigation; Supports access to permanent housing to resolve homelessness.	**minimum tenure and affordability:**	
Needed housing locations to address:	Metro area		
Responsive to feedback theme:	Responsive to feedback received from many engaged groups desiring coordinated and unified focused efforts to bring more resources to the region, particularly to fund infrastructure. This action was supported by several Metro Councilors, the Home Building Association, Implementers Work Group, MTAC, and MPAC.		
Populations that will benefit or be burdened by the action:	TBD based on identified focus areas.	**Complementary actions:**	• Affordable housing funding feasibility

Action #16: Affordable housing funding feasibility

Description:	Consider the viability and feasibility of **new funding for affordable housing development and preservation**. Ensure that any new funding framework is informed by public opinion research and engagement with public, private and nonprofit leaders as well as analysis of housing needs and market conditions, and lessons learned from the 2018 regional housing bond and best practices from other regions, including evaluating opportunities to strengthen racial equity, fair housing and community resilience outcomes and alignment/integration with homeless and supportive housing services.		
Adoption or completion year:	As determined by the Council.	**Implementation year:**	As determined by the Council.
Critical steps to implement the action:	Evaluation of feasibility and viability • Public opinion research • Preliminary engagement with coalition and jurisdictional partners • Evaluation of political viability Funding framework development (contingent on Metro Council direction based on initial evaluation of feasibility/viability) • Analysis of housing needs, market trends, and state and federal funding landscape, and lessons learned from 2018 Housing bond, building on previous research and engagement • Engagement of jurisdictional leadership, coalition partners, and impacted parties to inform policy priorities and funding allocation framework • Engagement with OHCS and other funders to support coordinated funding strategies • Production modeling • Identification and development of strategies that affirmatively further fair housing by addressing disparities in housing needs, promoting access to opportunity, and addressing patterns of segregation • Development of braided funding approaches to support inclusion of deeply affordable and supportive housing for those exiting homelessness • Additional public opinion research to inform scale and priorities		
Proposed assessment and tracking of results:	TBD – contingent on Metro Council direction For example, previous Metro housing bond tracking included: • Production dashboard updated quarterly, • Annual report highlighting production and policy outcomes, including outcomes	**Timeframe for expected impact on addressing housing need:**	TBD - dependent on feasibility and viability. In general, new affordable housing funding can lead to new housing units opening within three years—or sooner if the

	for advancing racial equity throughout project selection, design, construction, and initial lease up • Independent oversight body • Financial audits		investment strategy includes acquisition and preservation.
Expected magnitude of impact:	**Production:** High - Thousands of new or preserved affordable homes, including a mix of housing types, unit sizes/configurations, affordability levels, and housing aligned with culturally responsive and appropriate services to meet the needs of people experiencing or at risk of homelessness. **Affordability/Choice:** High	**Needed housing types expected to be produced:**	Regulated affordable housing
Fair housing issues the action will mitigate or resolve:	Potential for funding allocation and location policies to support geographic distribution of new affordable housing everywhere in the region and to support prioritization of locations that provide access to opportunities, services and amenities. Potential for new requirements related to equitable access, affirmative marketing, community co-design, and equitable operations to support long term stability. Potential for braided funding strategies to align supportive services for households experiencing or at risk of homelessness. **Direct effects:** Supports accessible and adaptable housing; Supports access to affordable rental housing; Supports access to affordable homeownership; Supports access to community assets and mitigation of exposure to harms;	**Needed housing characteristics to produce, including at a minimum tenure and affordability:**	To be determined through policy framework development, but likely including: • Primarily affordable rental with some CLT or other alternative homeownership units • Mix of affordability levels (0-80 percent AMI), as informed by analysis of gaps/needs • Mix of unit sizes, including family-sized units, as informed by analysis of gaps/needs • Mix of building types, including smaller scale and missing middle types as

	Addresses issues associated with historically underserved or marginalized communities and protected classes; Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty; Supports housing stability, anti-displacement and displacement mitigation; Supports access to permanent housing to resolve homelessness.		informed by analysis of gaps/needs • Consideration for acquisition/conversion and preservation, as well as new construction
Needed housing locations to address:	Geographic distribution of new affordable housing everywhere in the region, with a particular focus on reaching areas that provide access to opportunities, services and amenities.		
Responsive to feedback theme:	Responds to feedback received from jurisdictional staff and leadership as well as industry and community partners. This idea was consistently raised and supported throughout engagement with all of the groups we engaged.		
Populations that will benefit or be burdened by the action:	Potential to benefit households disproportionately impacted by housing instability and homelessness, including: • Households with low incomes • Communities of color • People with disabilities • Older adults • Veterans • Families with children, especially single-parent families • Youth exiting foster care	**Complementary actions:**	• Affordable housing operational stabilization strategy • Innovative approaches • Regional land bank plan • Equitable access to regulated affordable housing • Community co-design • Regional affordable housing Inventory and listing service • Improvements to voucher and other rental assistance policies and implementation

CONCLUSION

The challenge of creating and sustaining housing options that meet the diverse needs, household configurations, and income levels of people in our region is too big for any single jurisdiction. Collective efforts are needed now more than ever. This RHCS provides a framework for regional coordination and collaboration to guide progress toward a future where all people in the region have access to safe, affordable and stable housing. Once adopted by Metro Council, the RHCS will guide Metro's actions over the next six years (2026-2031). It will be followed by the development of more detailed work plans and continued engagement to further shape the work and ensure responsiveness to needs, opportunities and shared values.

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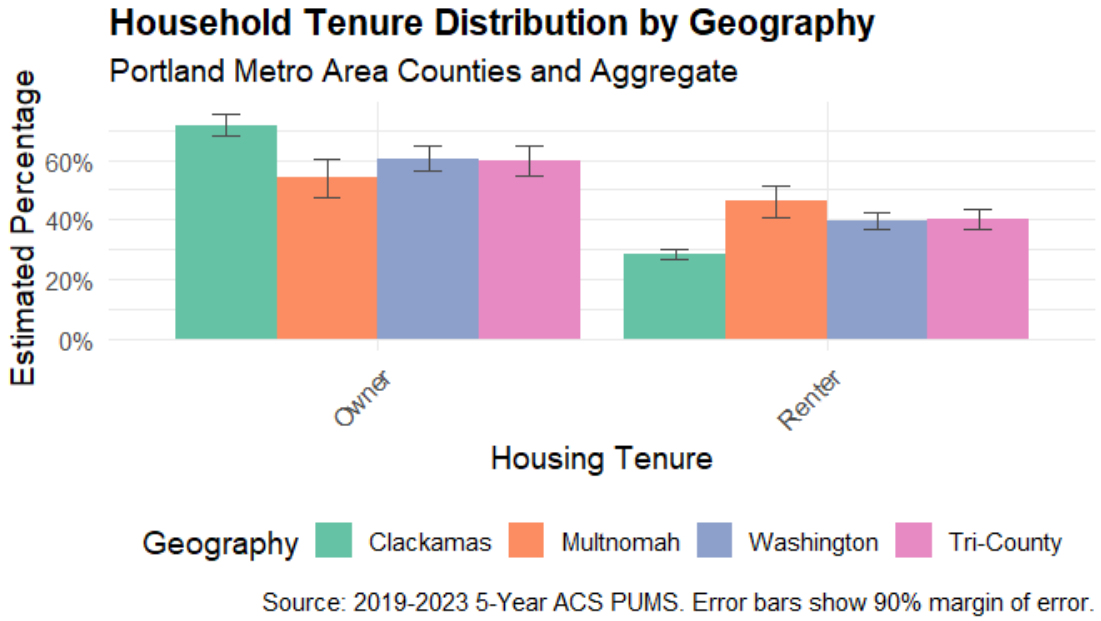
Appendix 1: Household Socioeconomic and Demographic Characteristics

Considerations related to census data

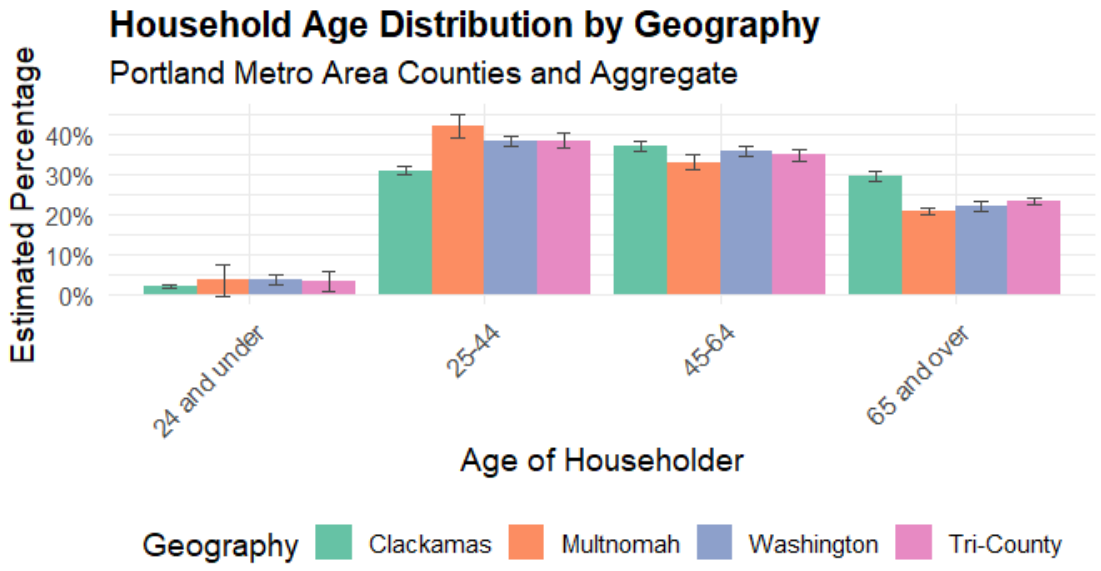
Different communities have different levels of comfort while engaging with government censuses and surveys, which can result in undercounts. Additionally, estimates of smaller and harder-to-count populations tend to have less reliability than estimates for larger segments of the population. To increase reliability, the American Community Survey often publishes aggregated categories, which can mask important trends in the data, especially regarding race, ethnicity, and language.

The default confidence interval for both ACS and PUMS data is 90%, as this is the statistical standard set by the U.S. Census Bureau for publishing these estimates. This means that the published margin of error corresponds to a 90% confidence level, providing approximately 90% certainty that the true population value falls within the calculated confidence bounds.

Household Tenure

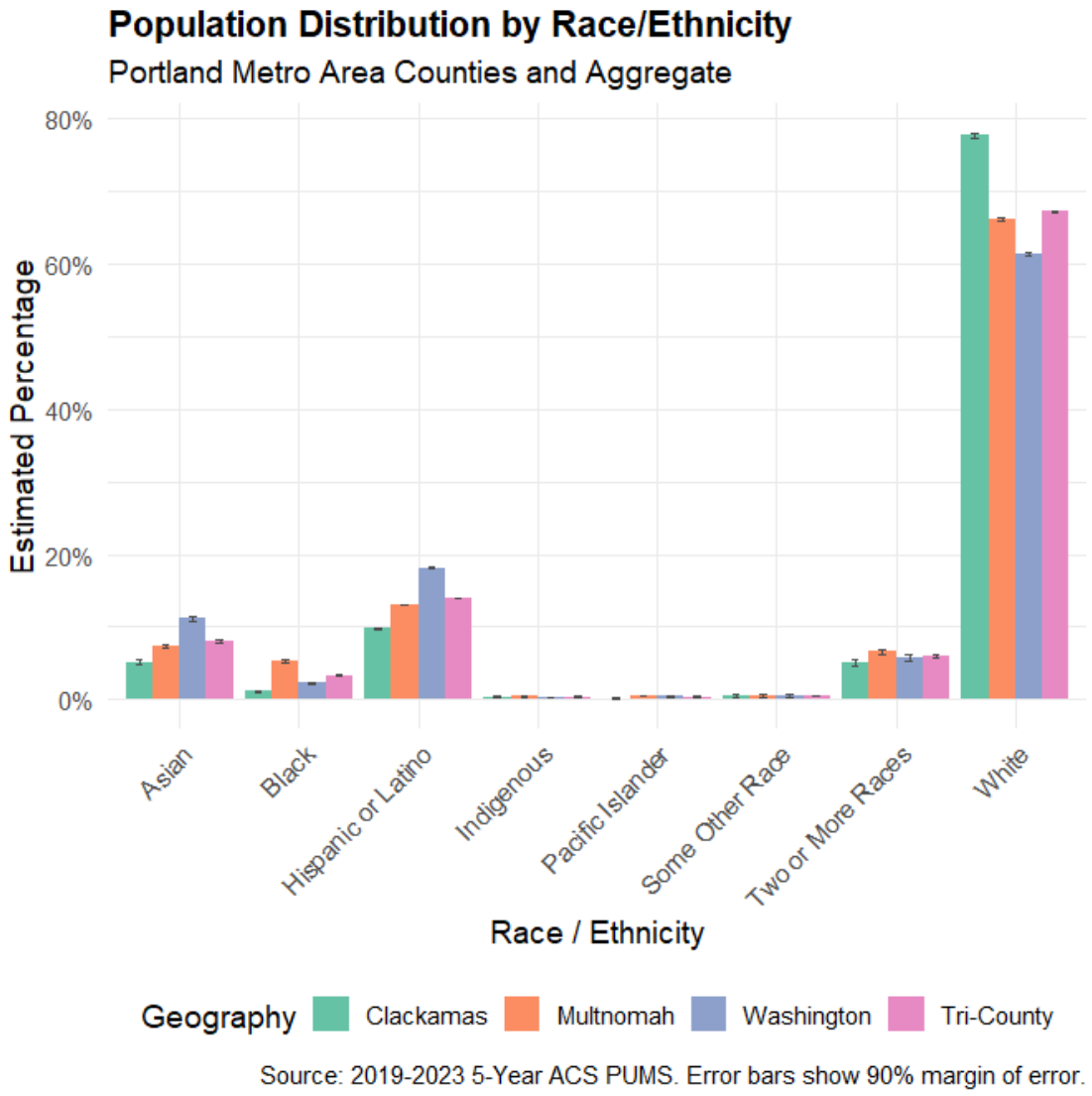


Age of Householder

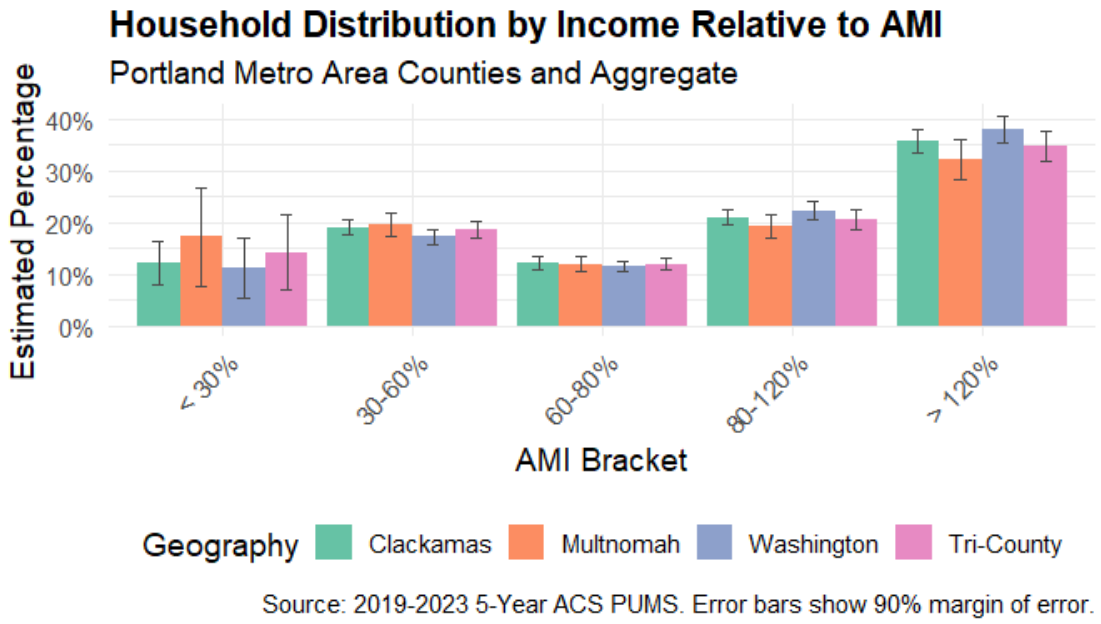


Source: 2019-2023 5-Year ACS PUMS. Error bars show 90% margin of error.

Race and Ethnicity

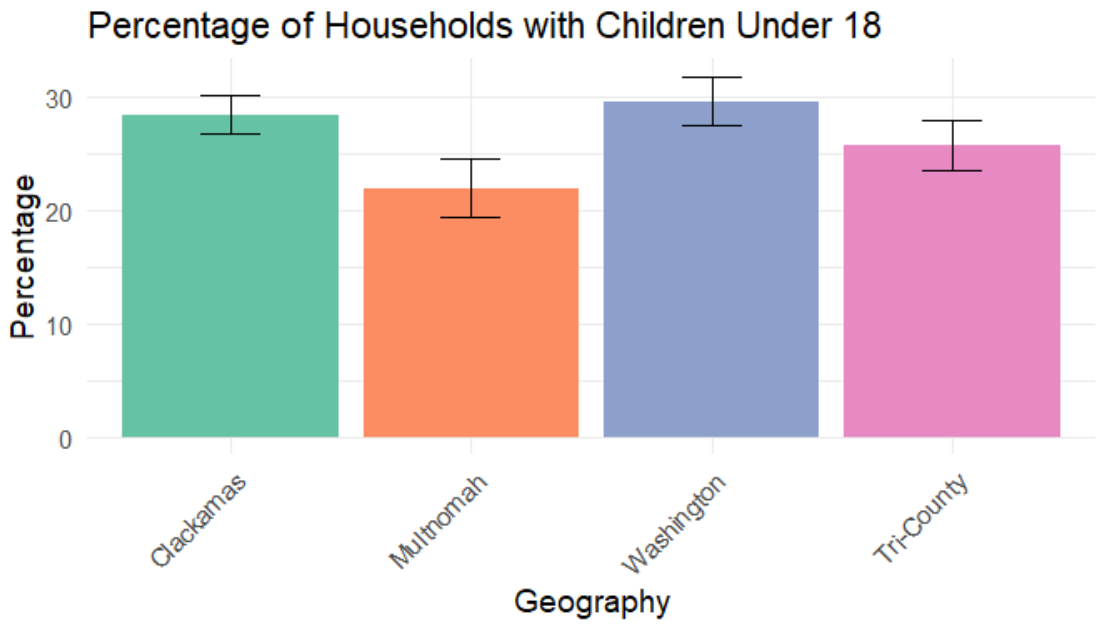


Household Income Relative to Area Median Income (AMI)

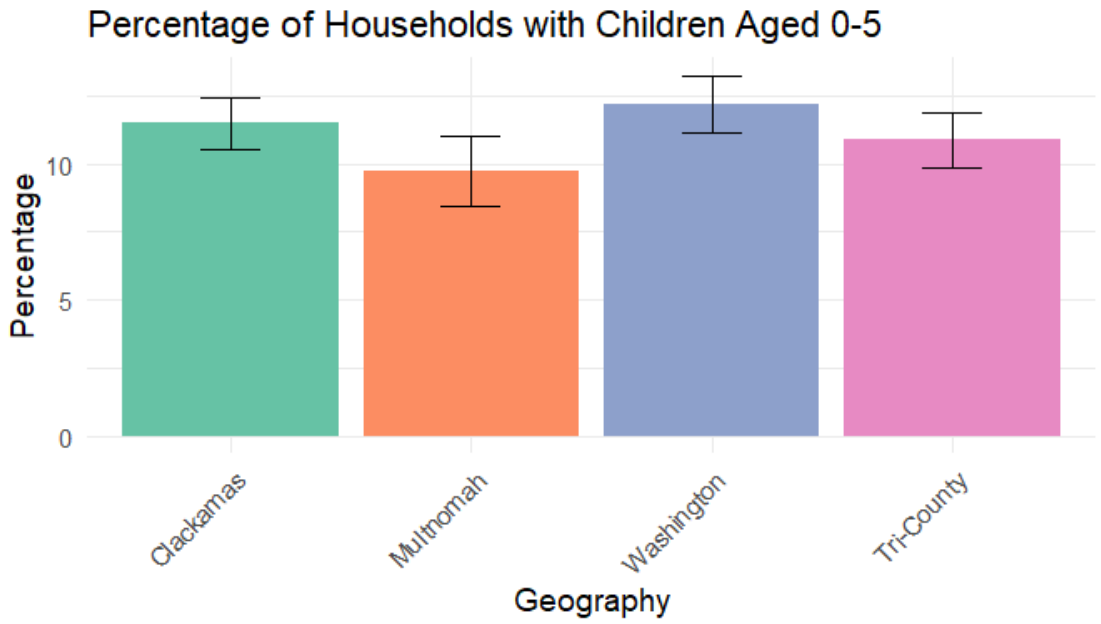


Source: 2019-2023 5-Year ACS PUMS. Error bars show 90% margin of error.

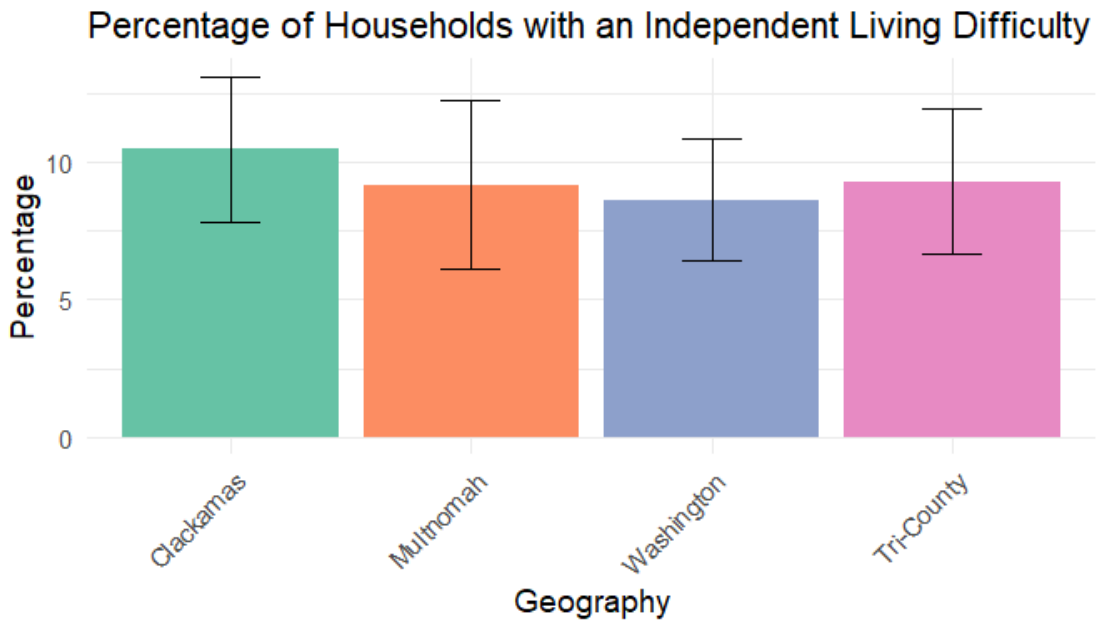
Households with Children



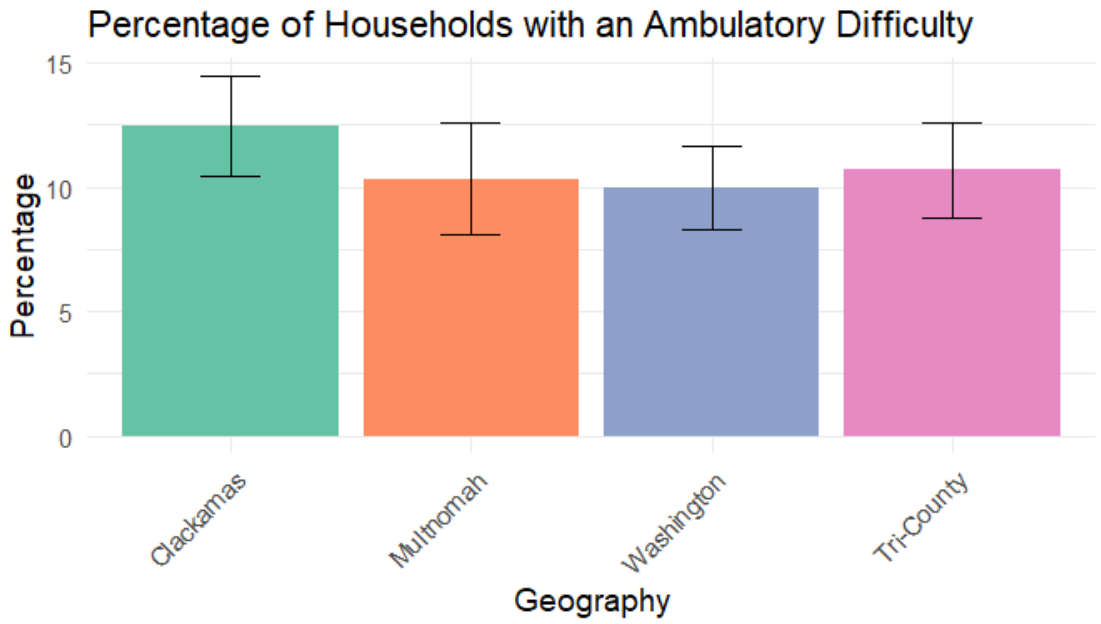
Households with Children Aged 0-5



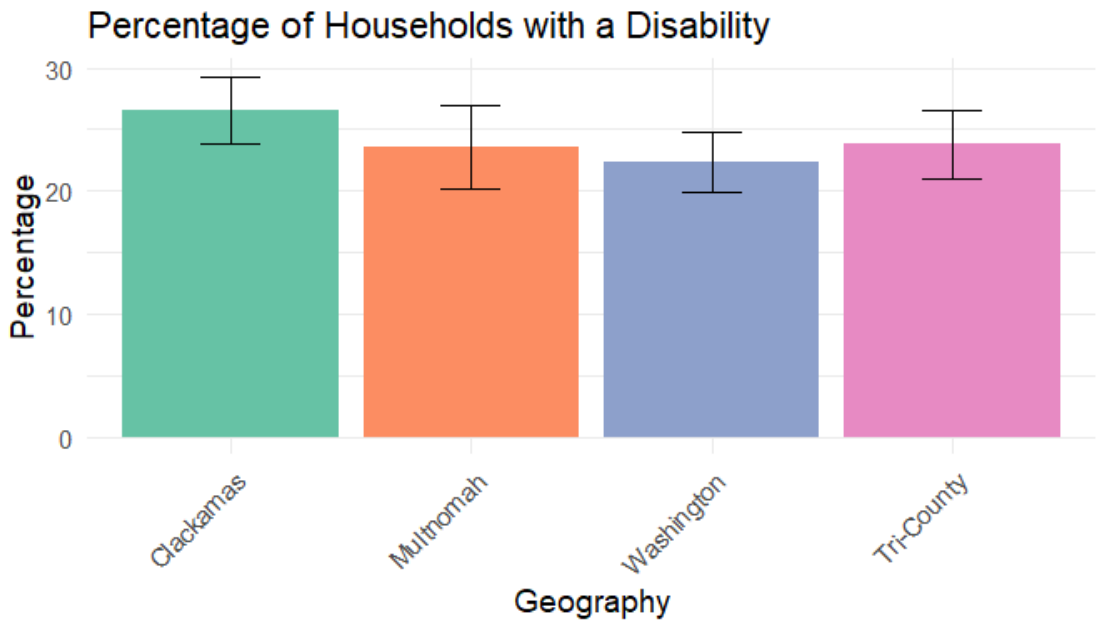
Households with an Independent Living Difficulty



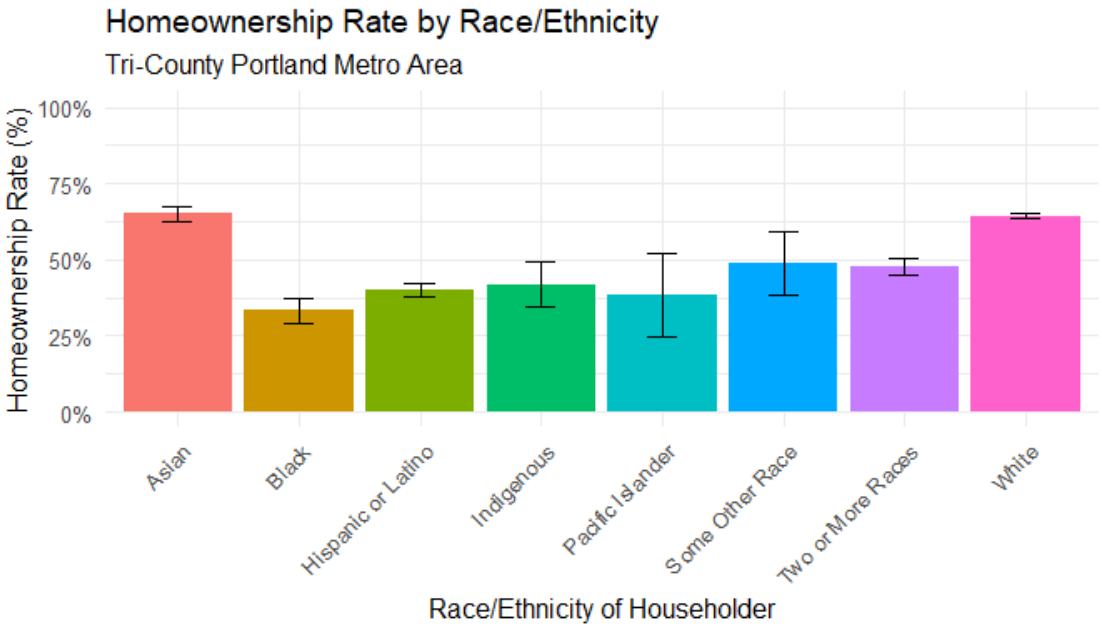
Households with an Ambulatory Difficulty



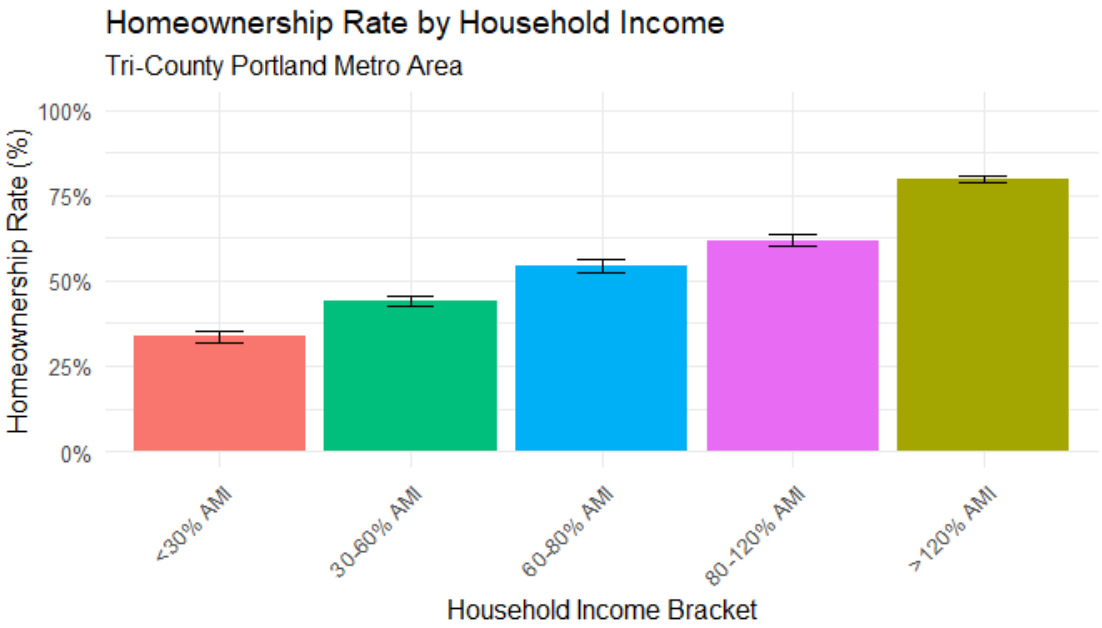
Households with a Disability



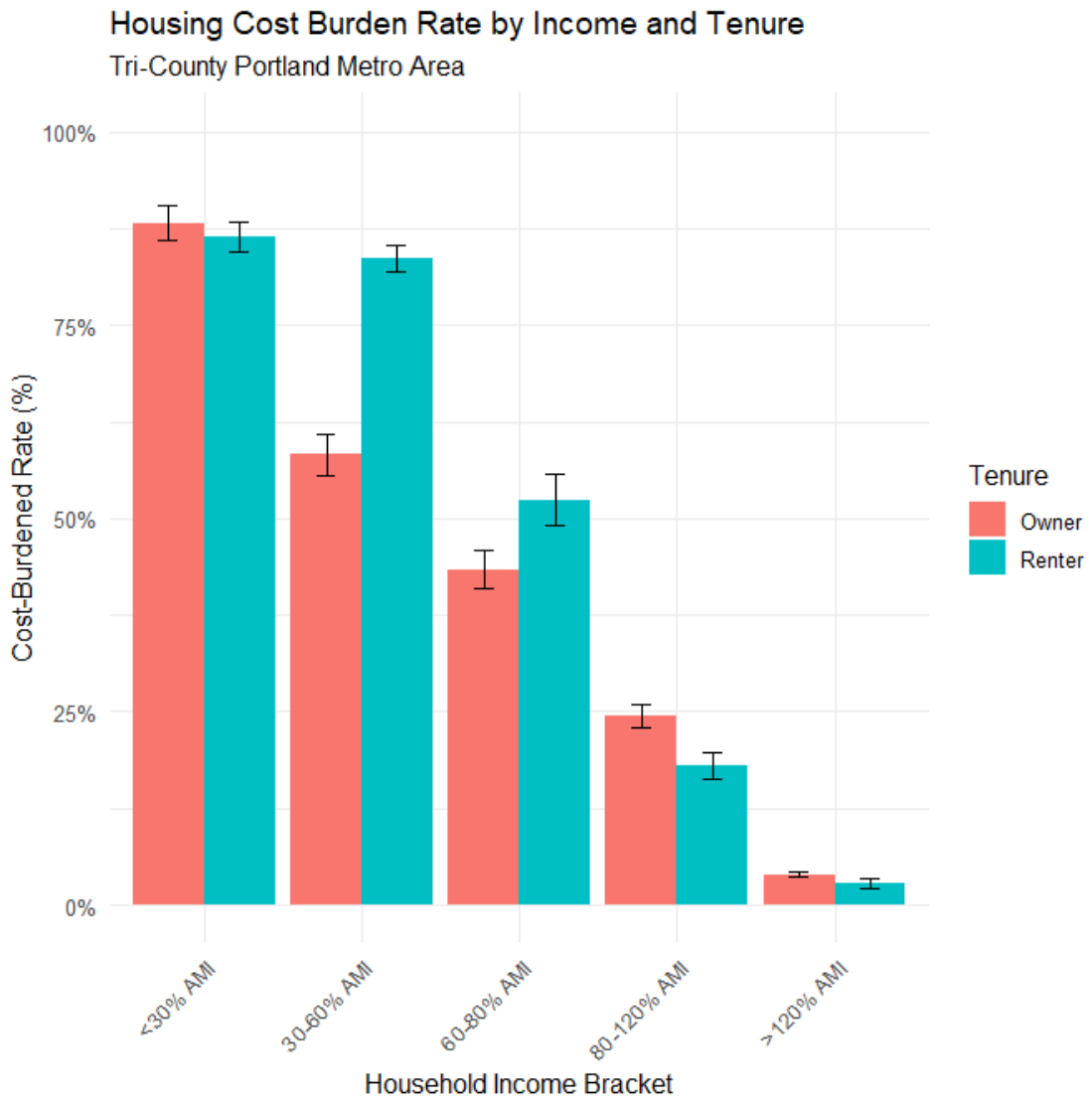
Home Ownership Rate by Race/Ethnicity



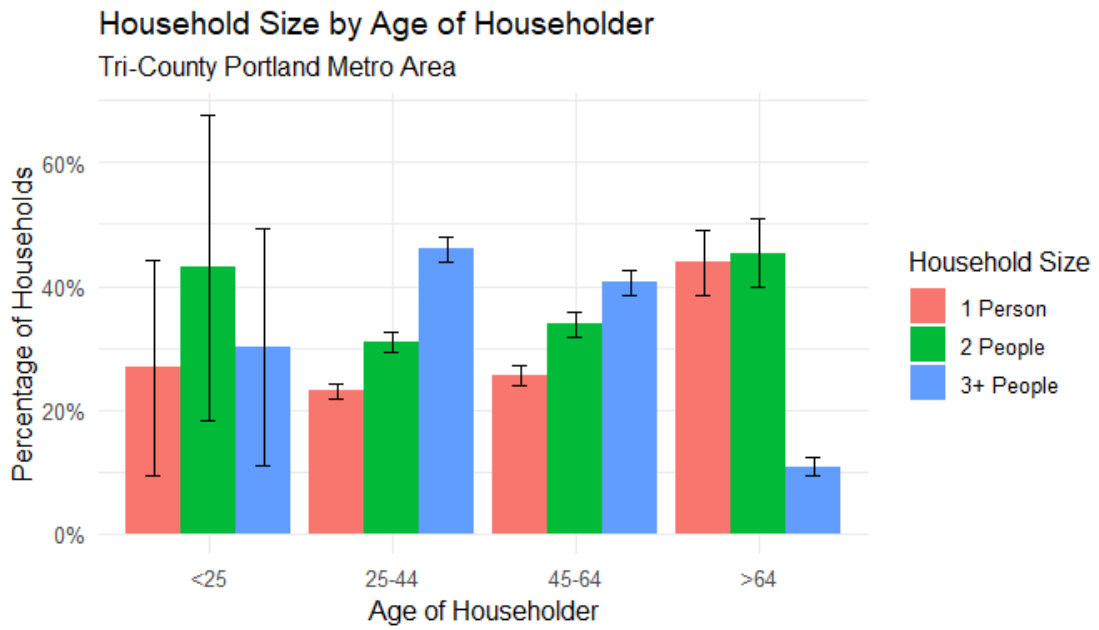
Home Ownership Rate by Household Income (AMI)



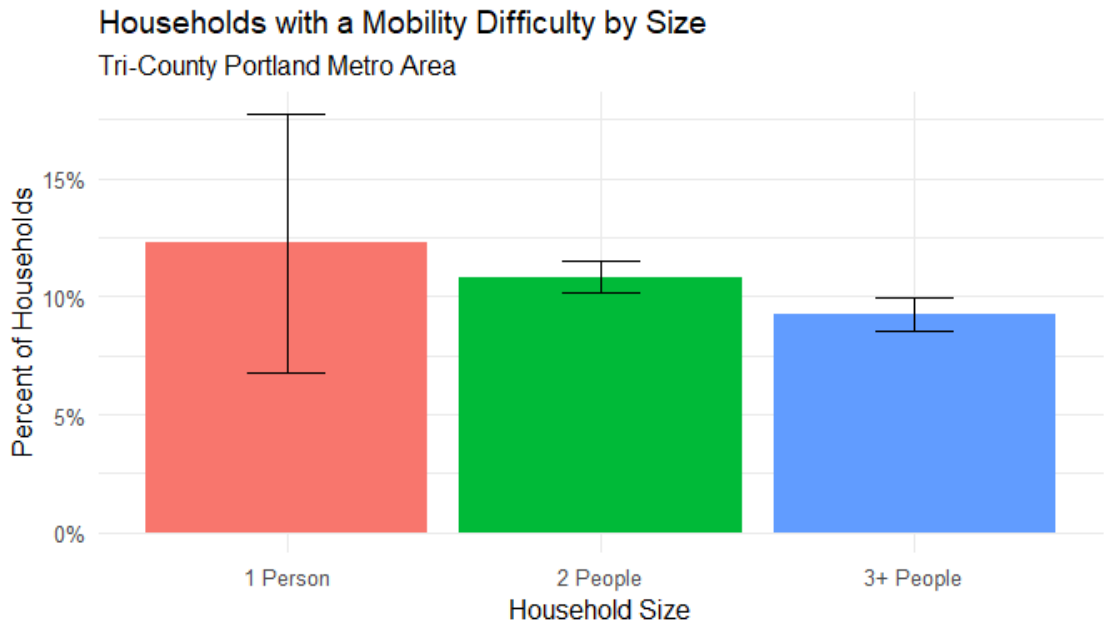
Housing Cost Burden Rate by Income and Tenure



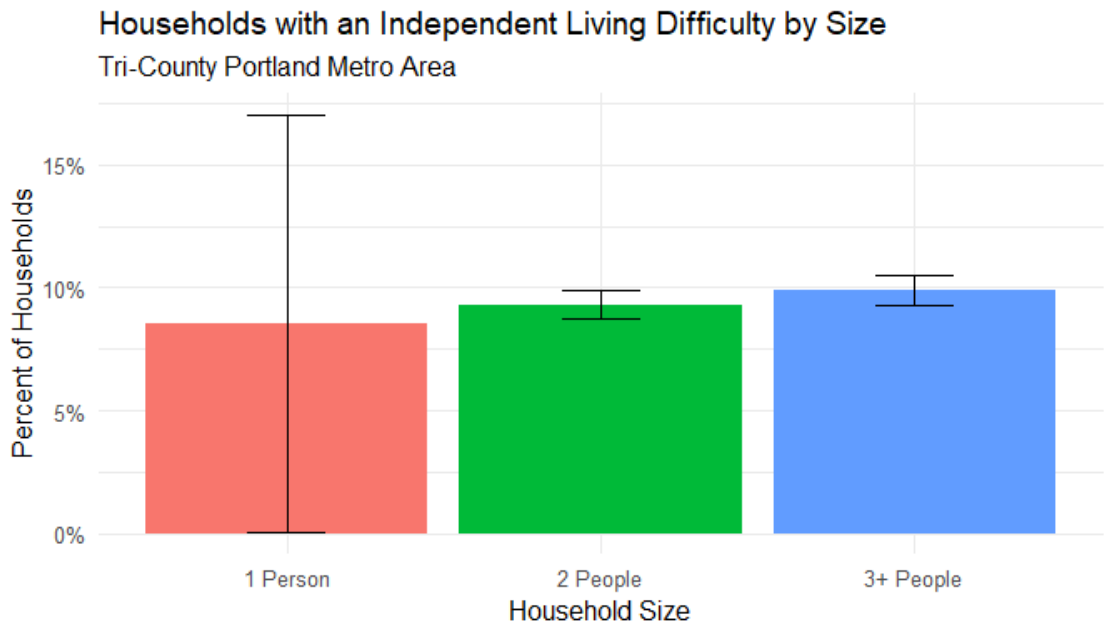
Household Size by Age of Householder



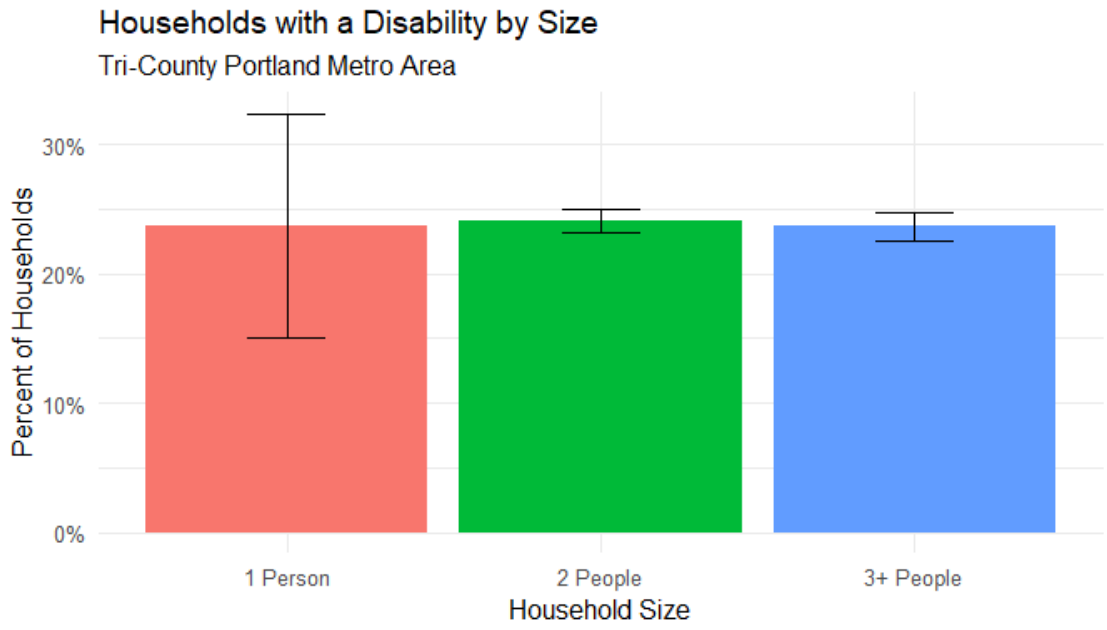
Household with a Mobility Disability by Household Size



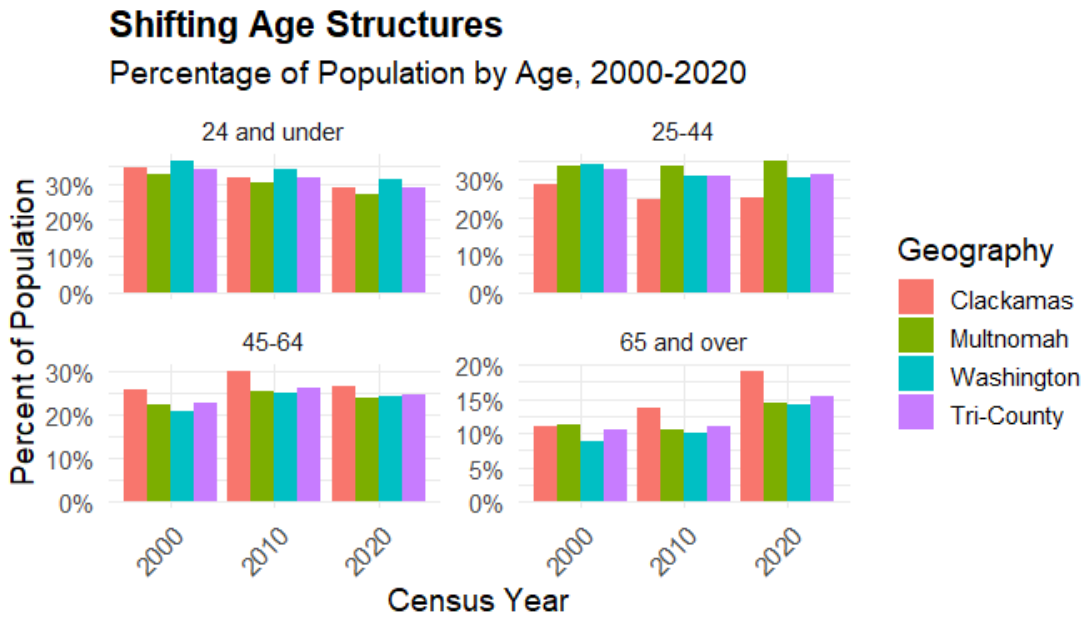
Households with an Independent Living Difficulty by Household Size



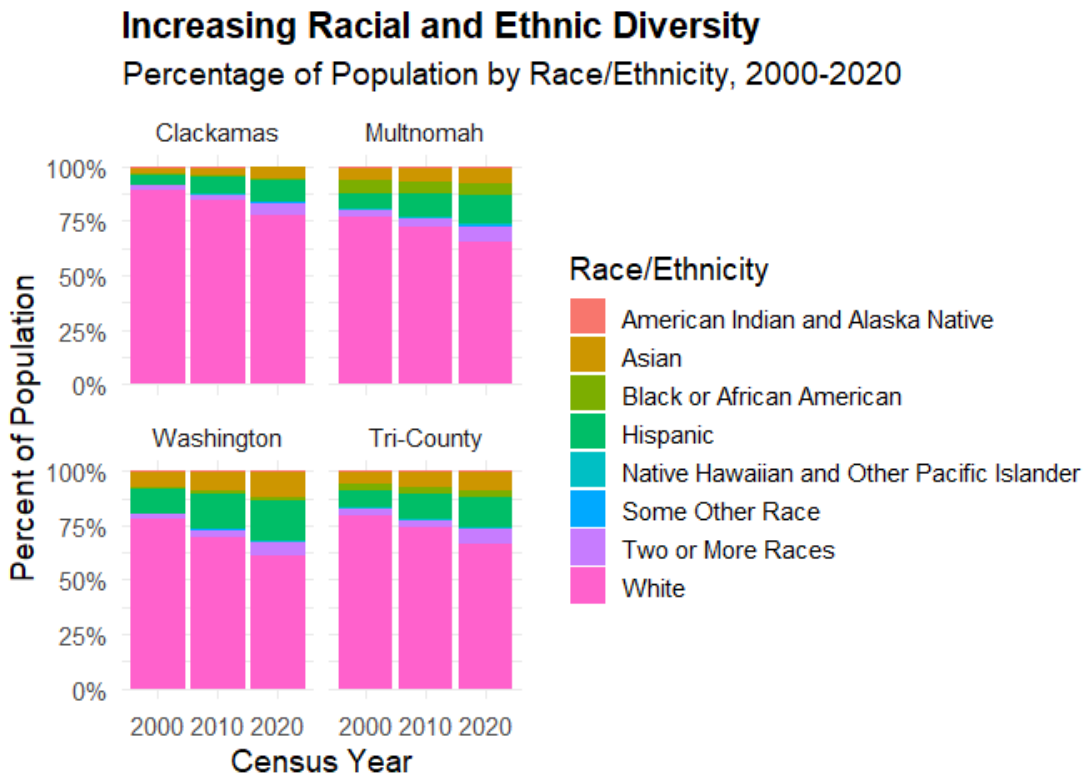
Households with a Disability by Household Size



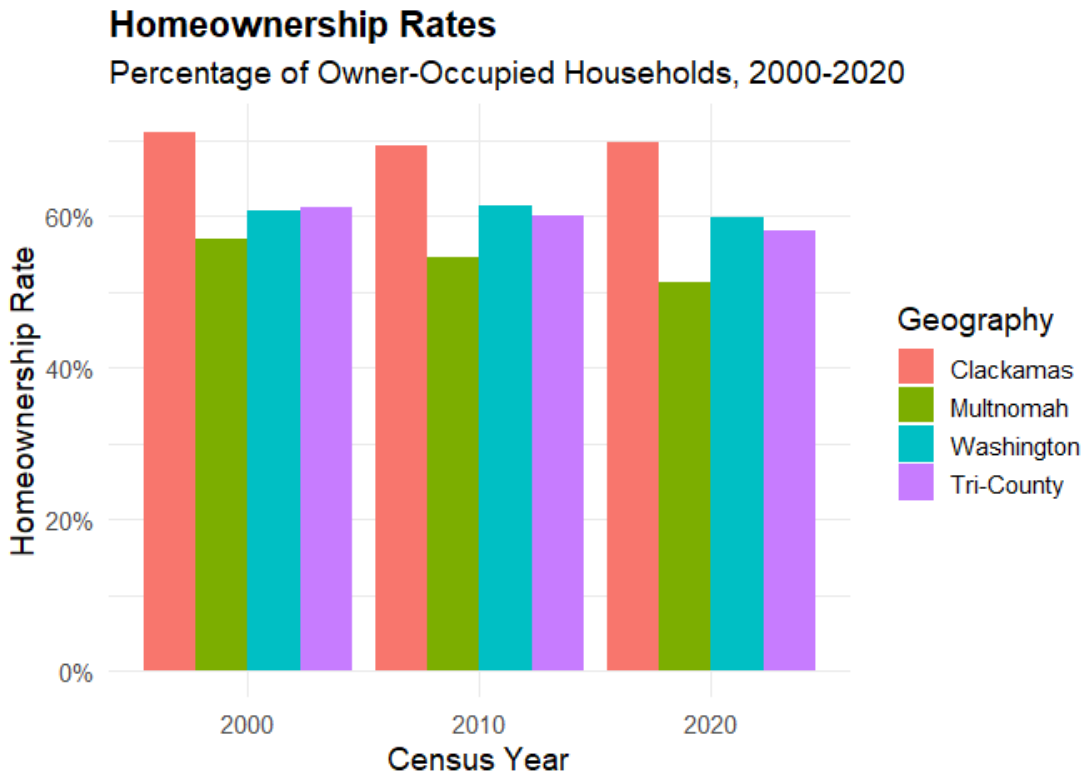
Age Time Series



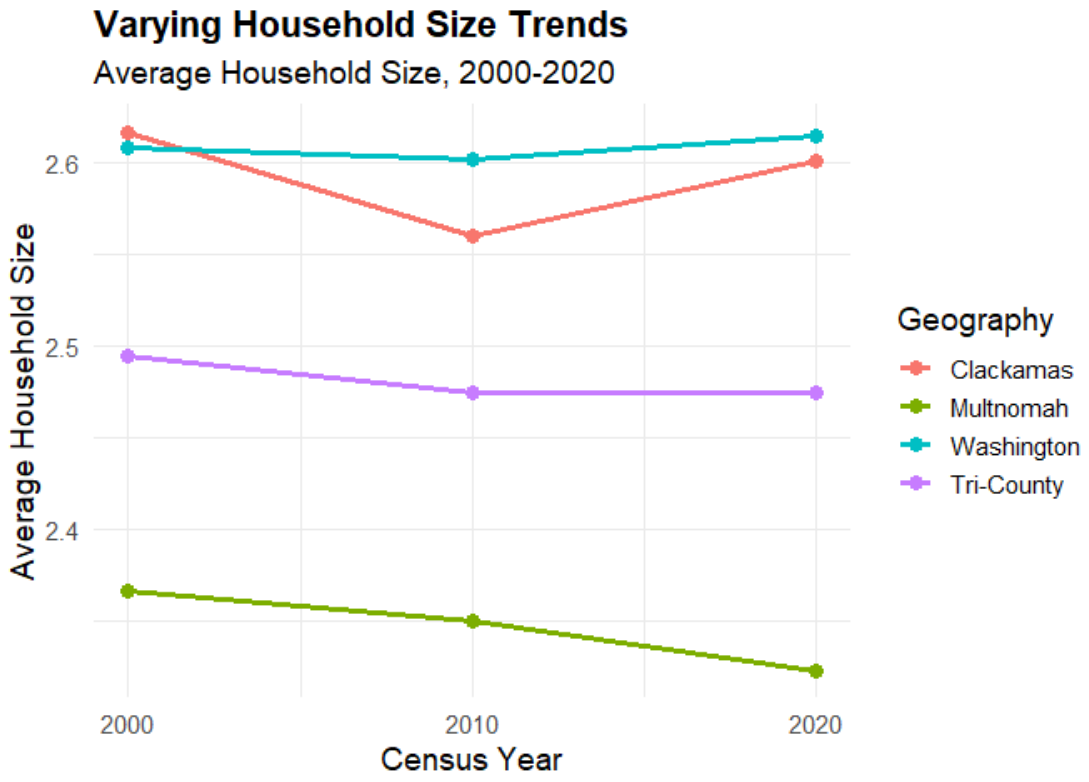
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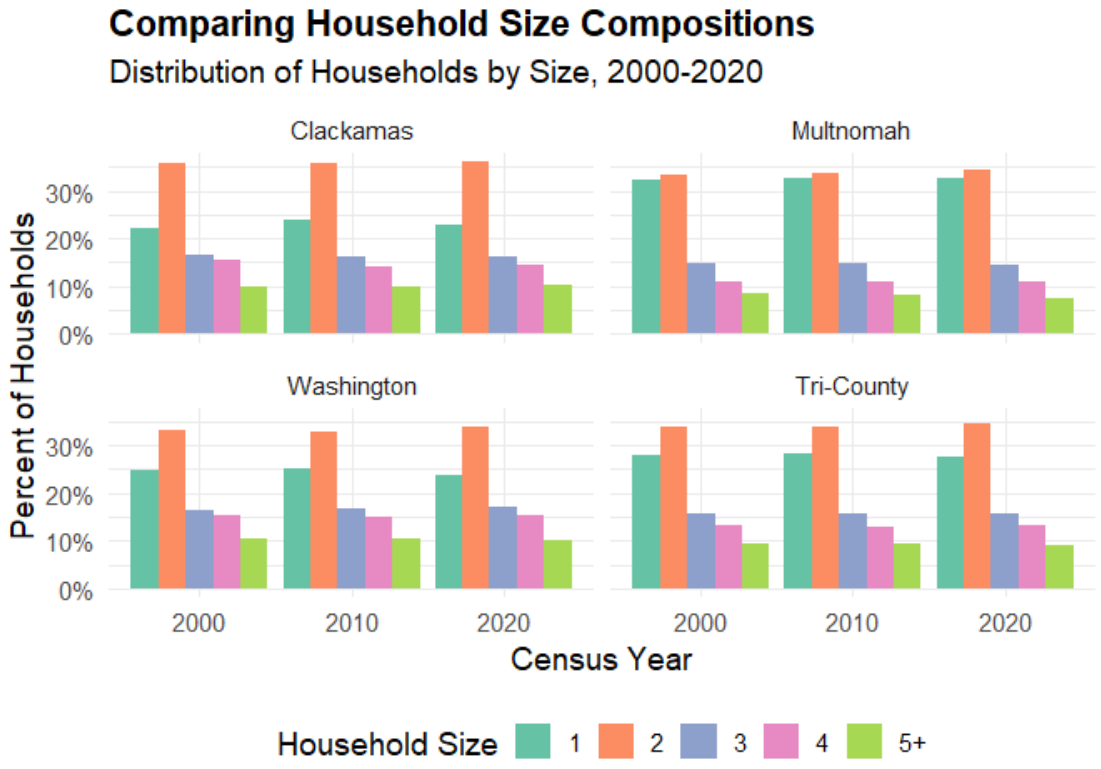


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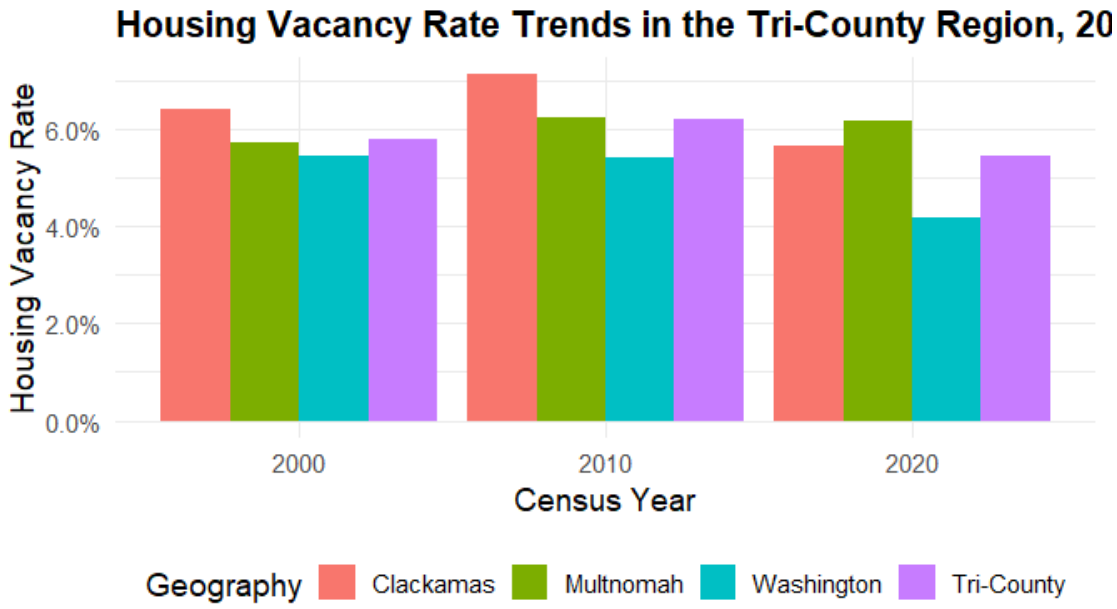


Household Size Time Series

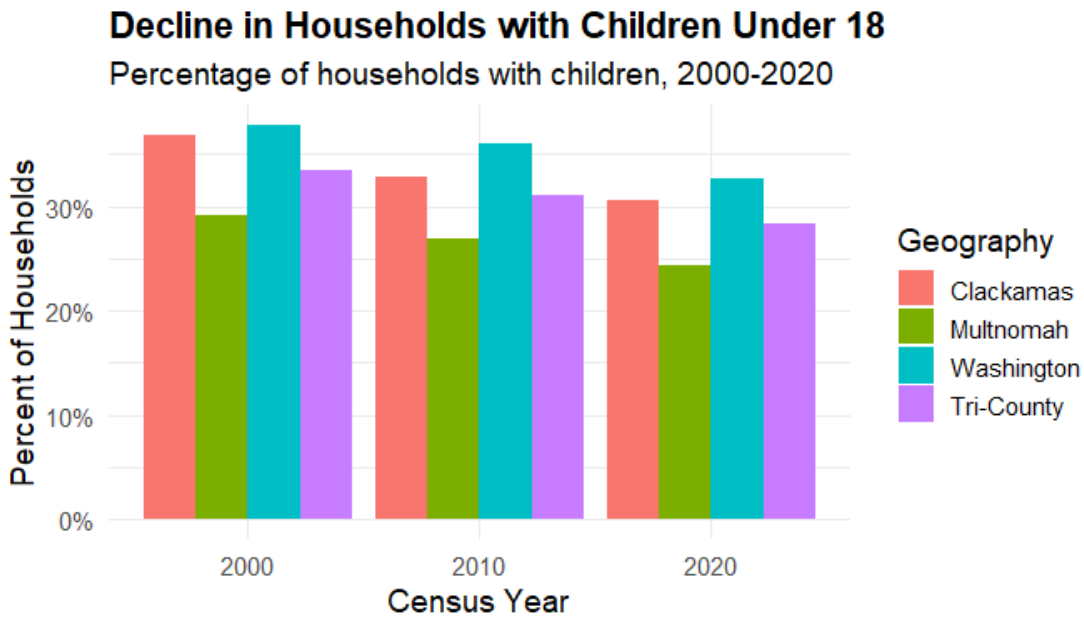




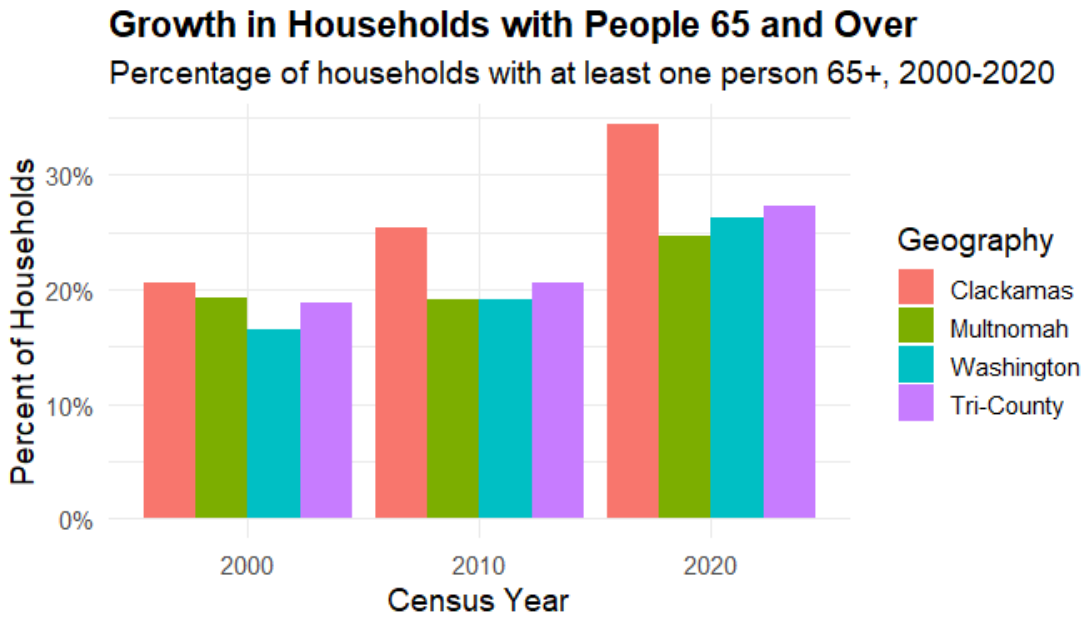
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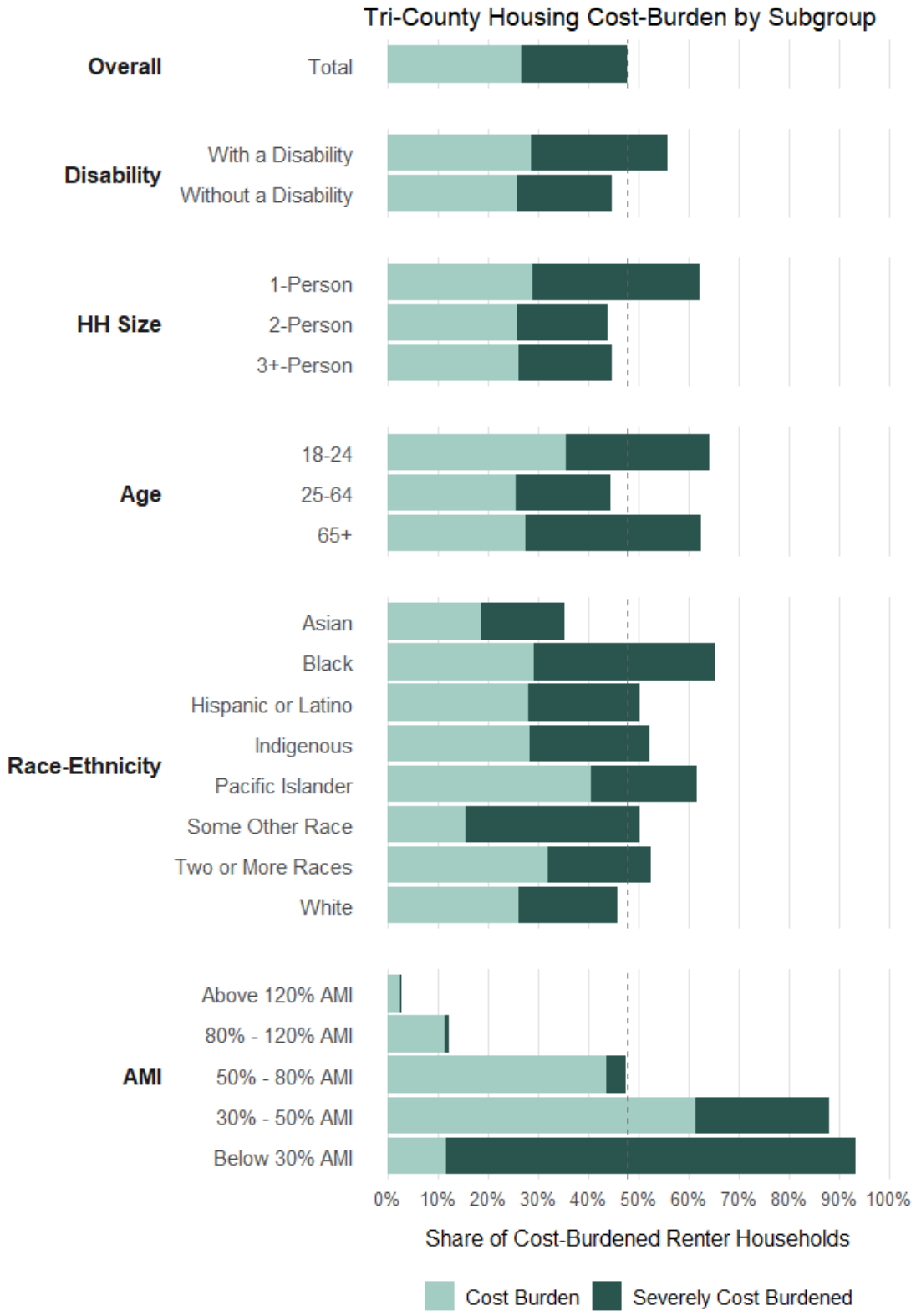
Households with Children



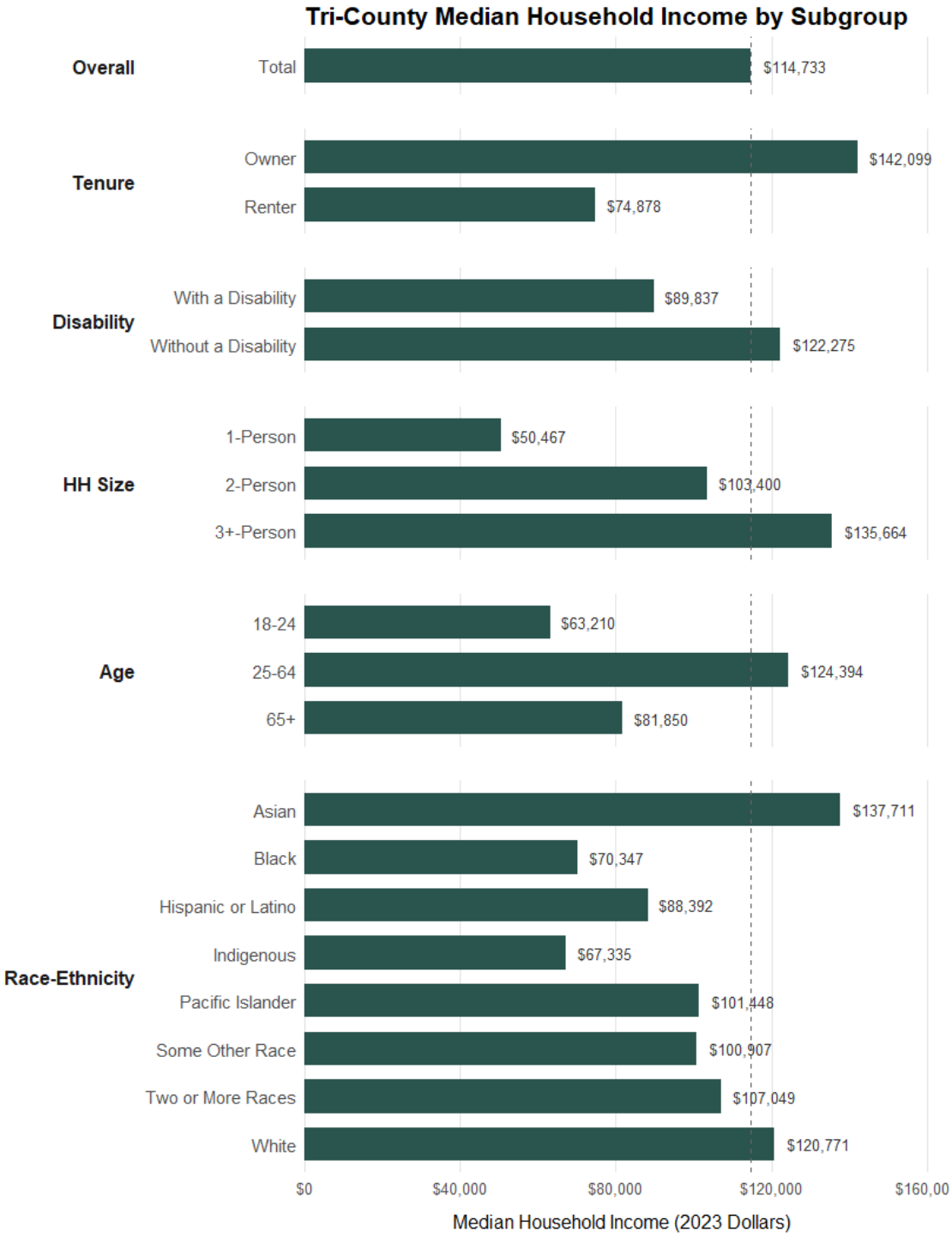
Households with Seniors



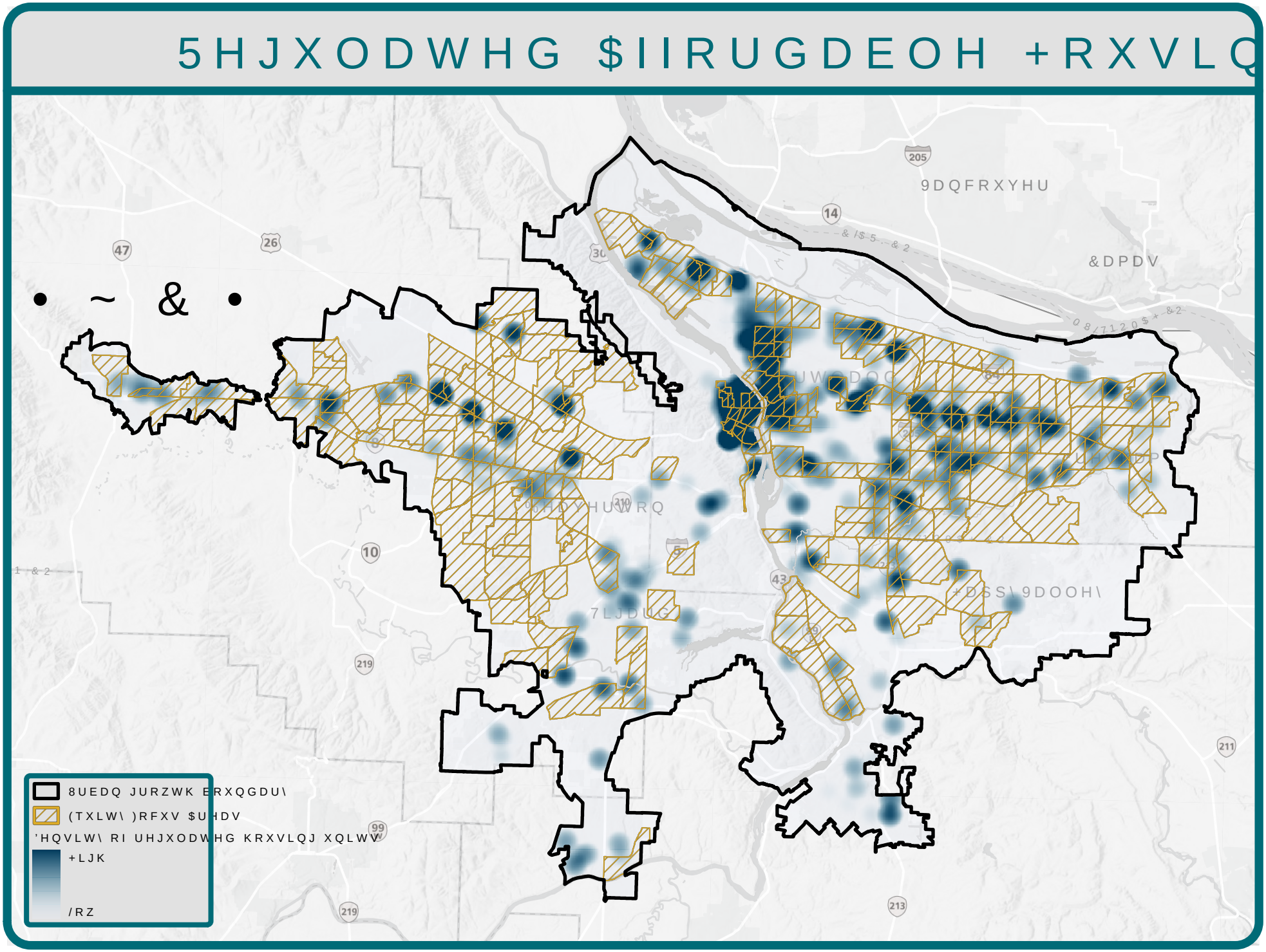
Cost Burdened Renter Households by Demographics

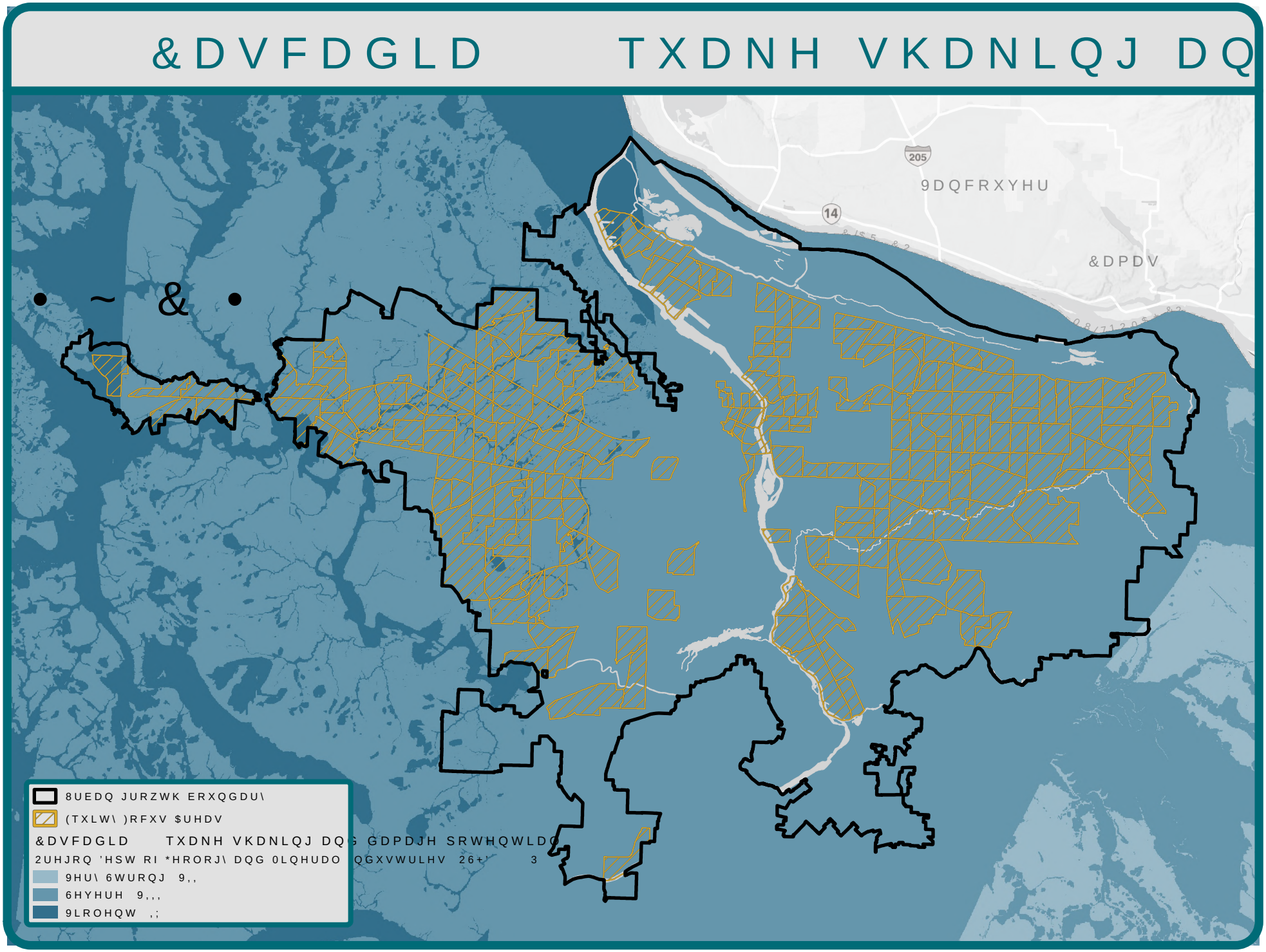


Median Income Cross-Tabulations

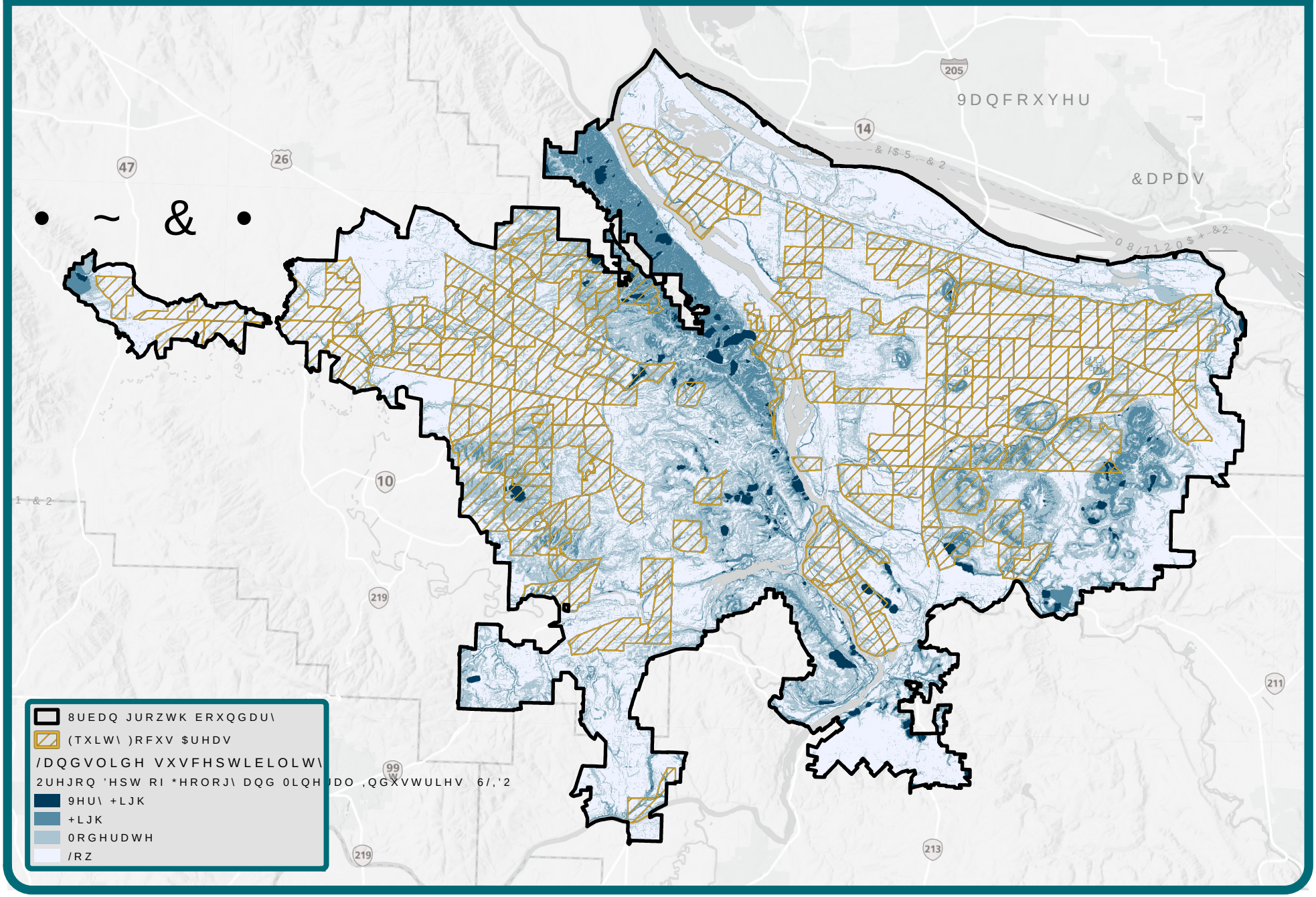


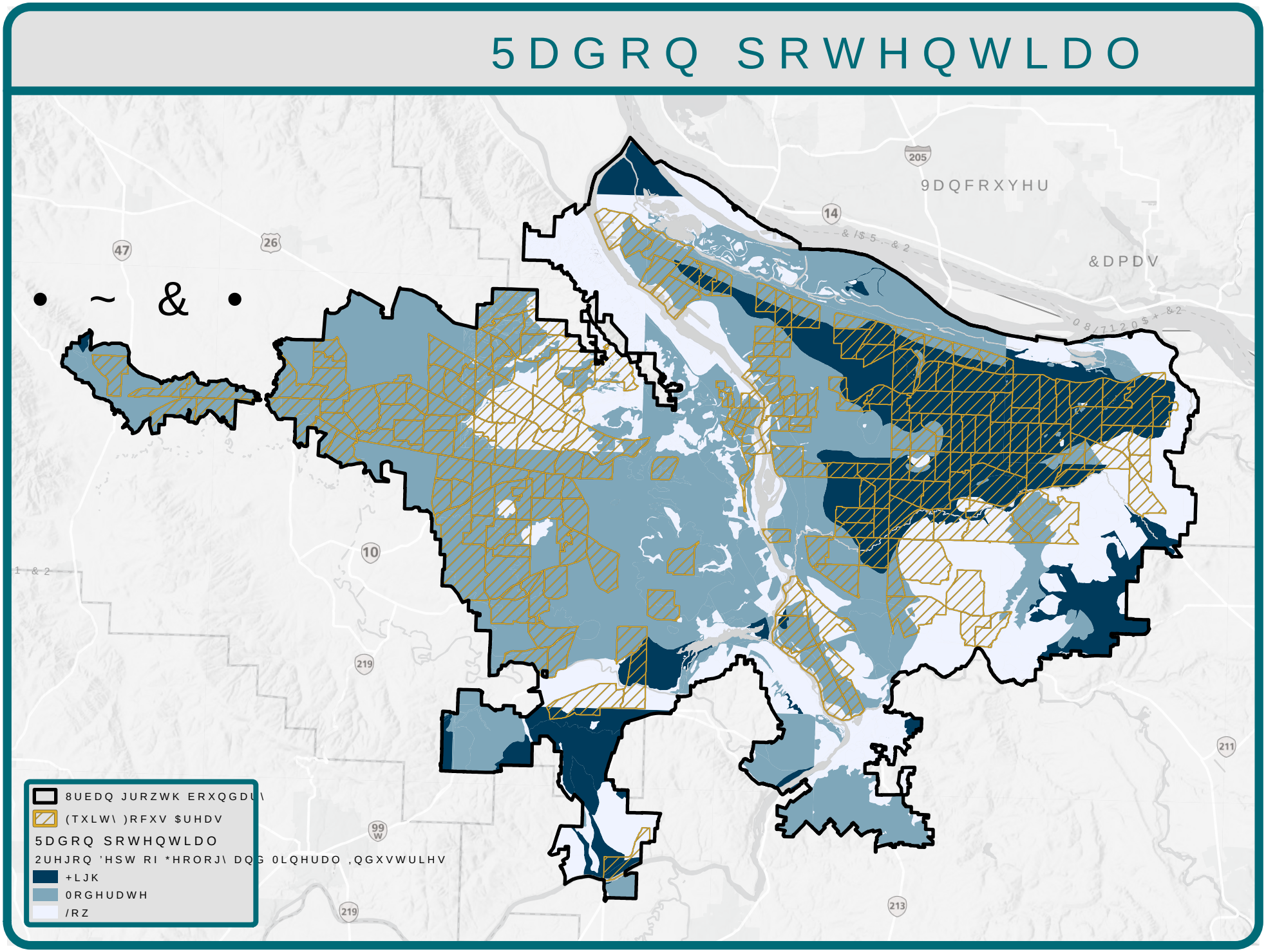
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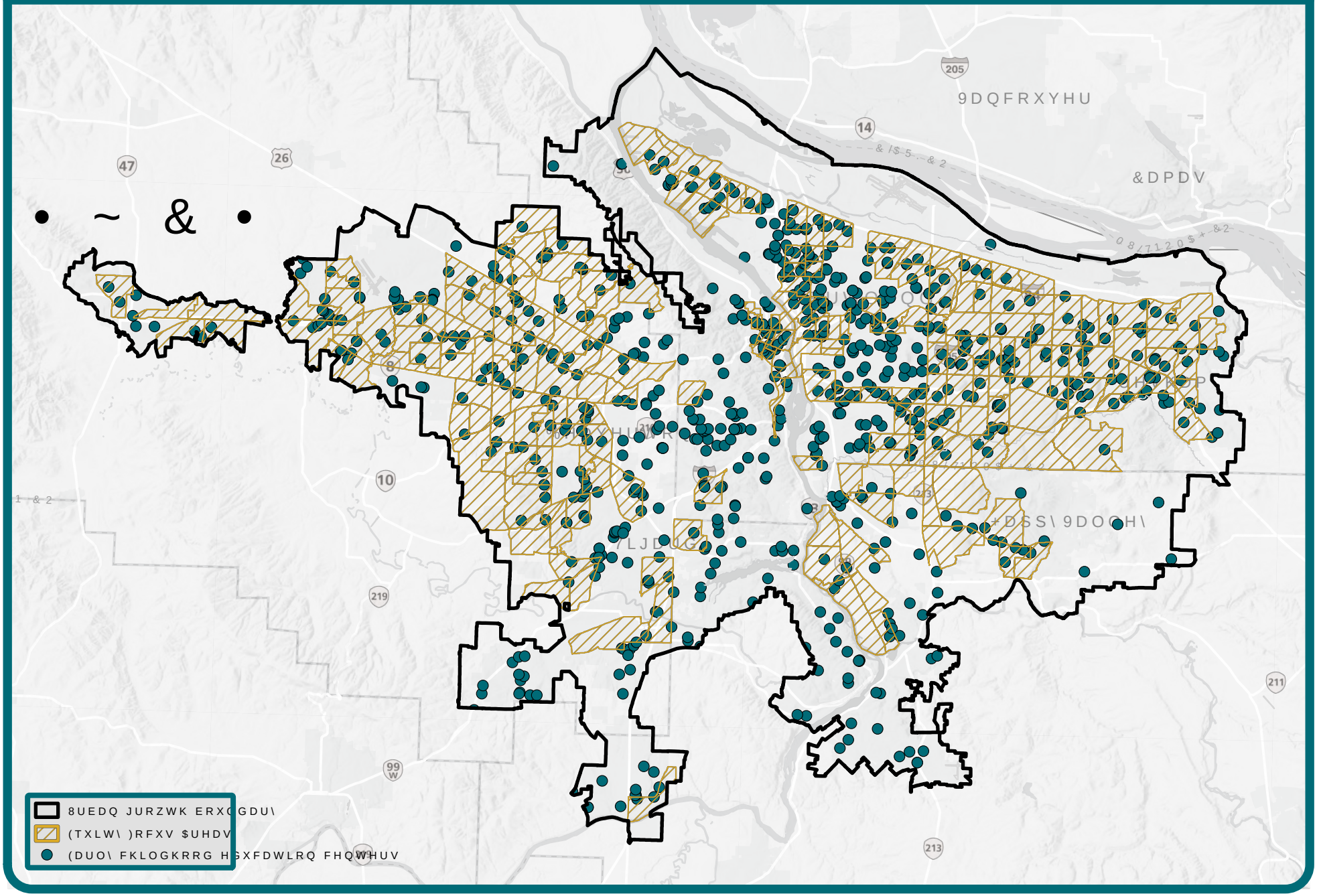

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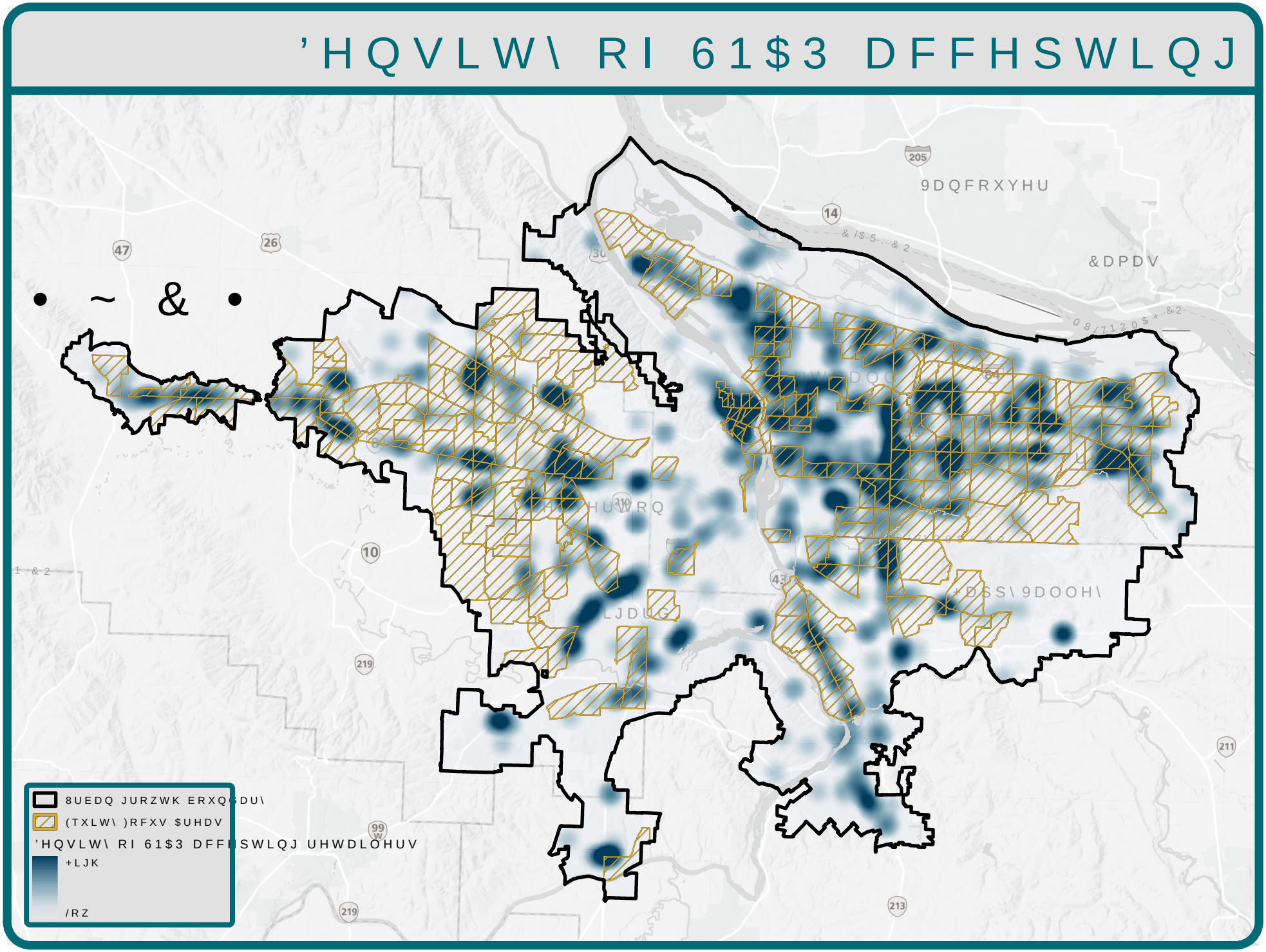
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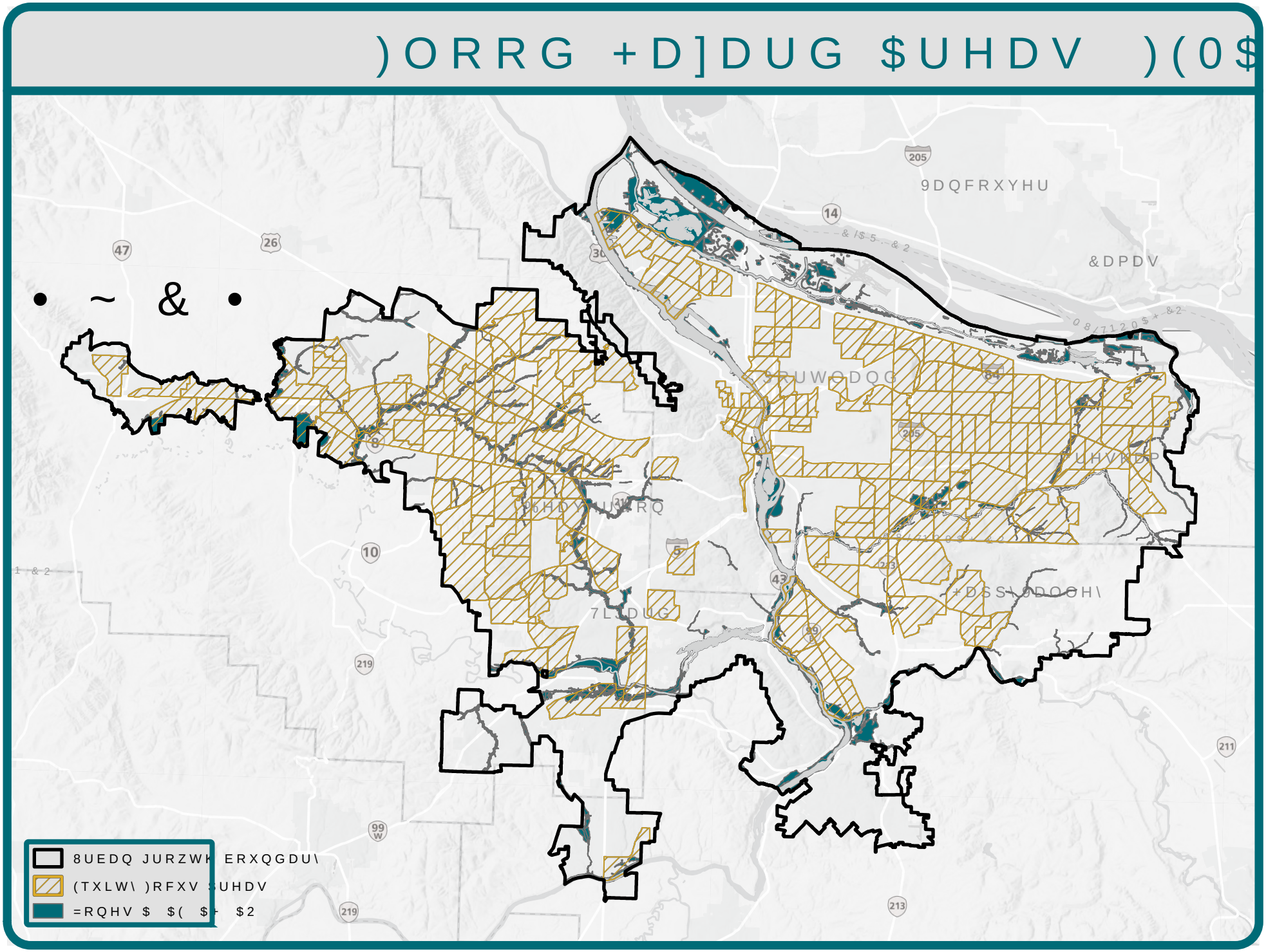



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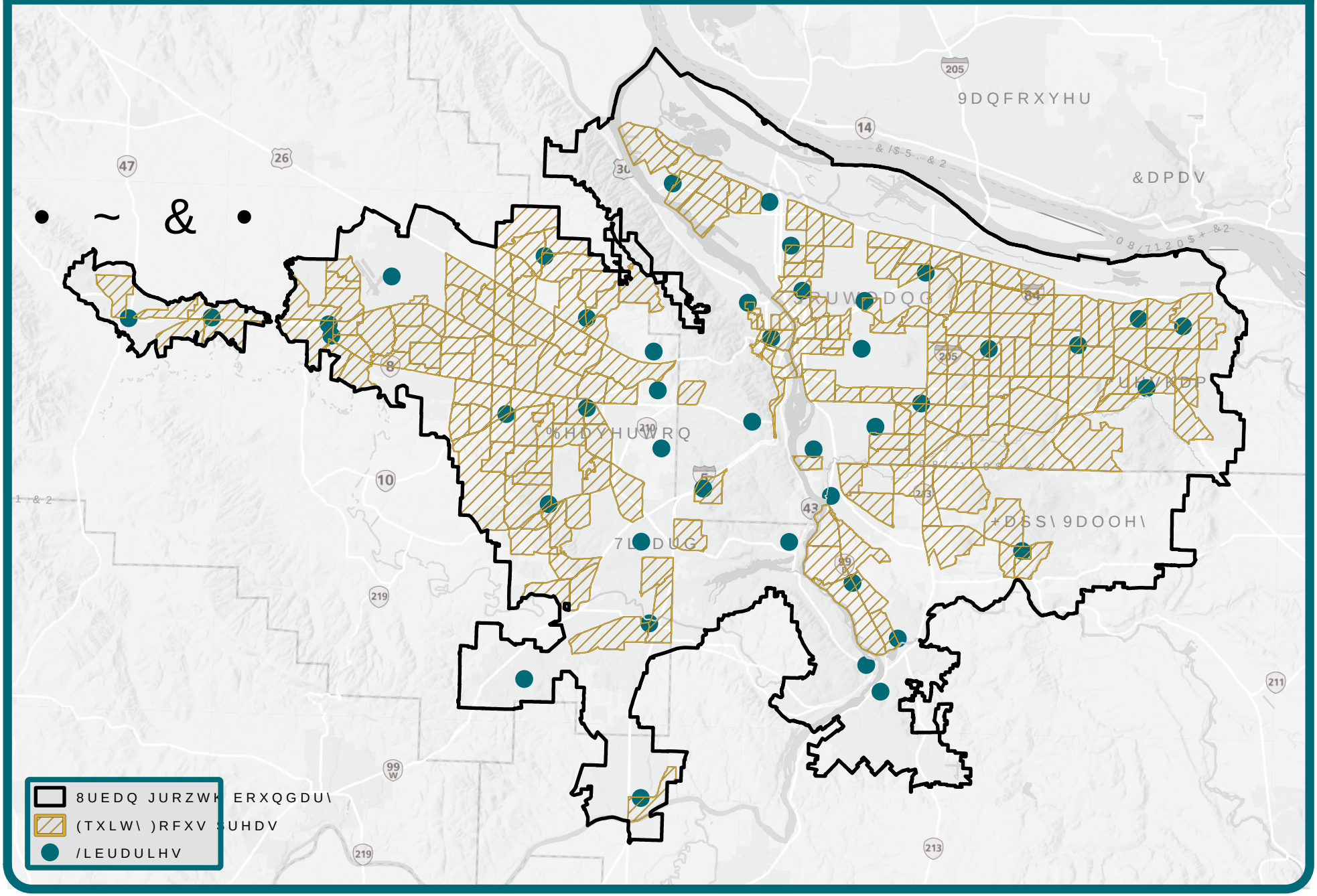
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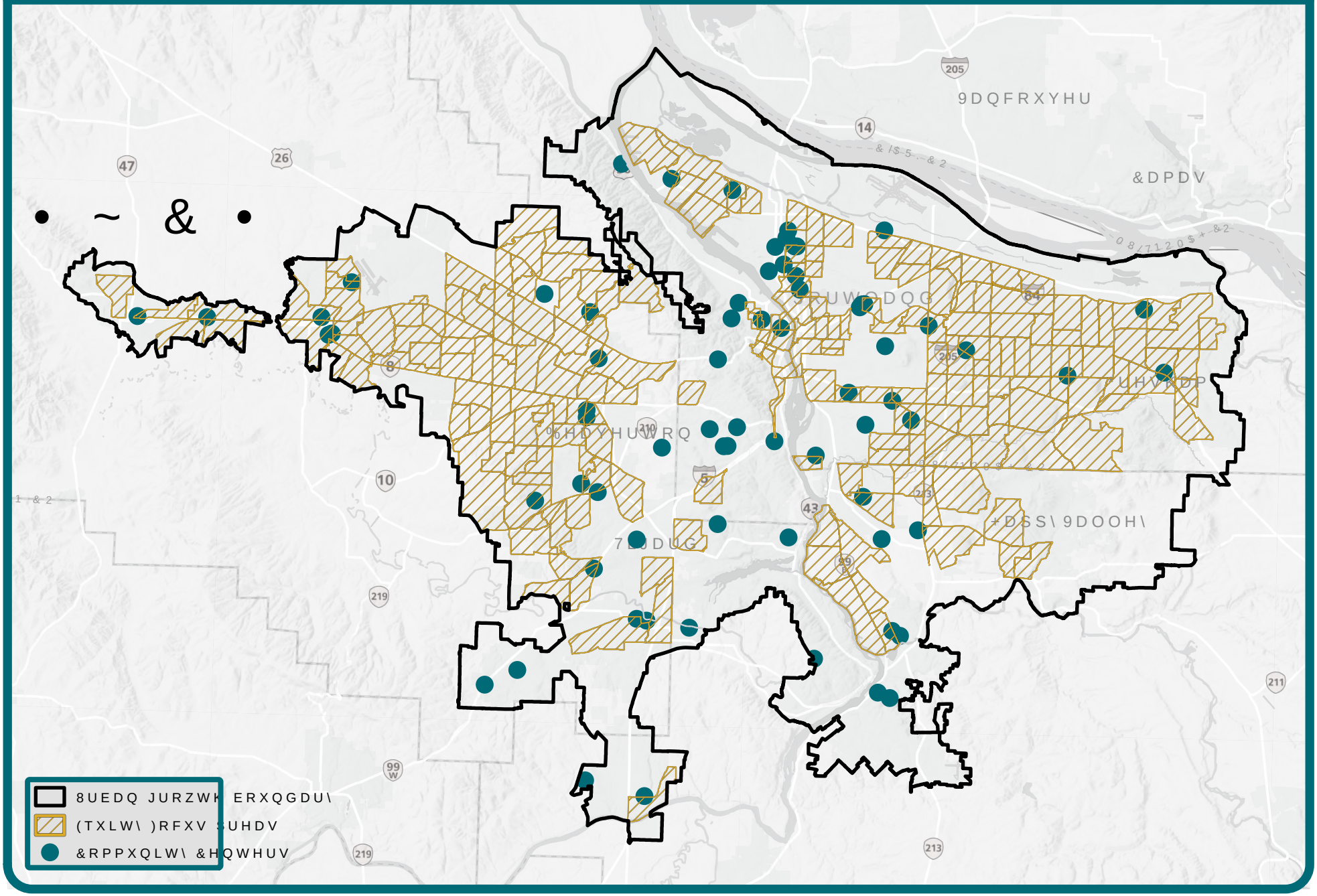

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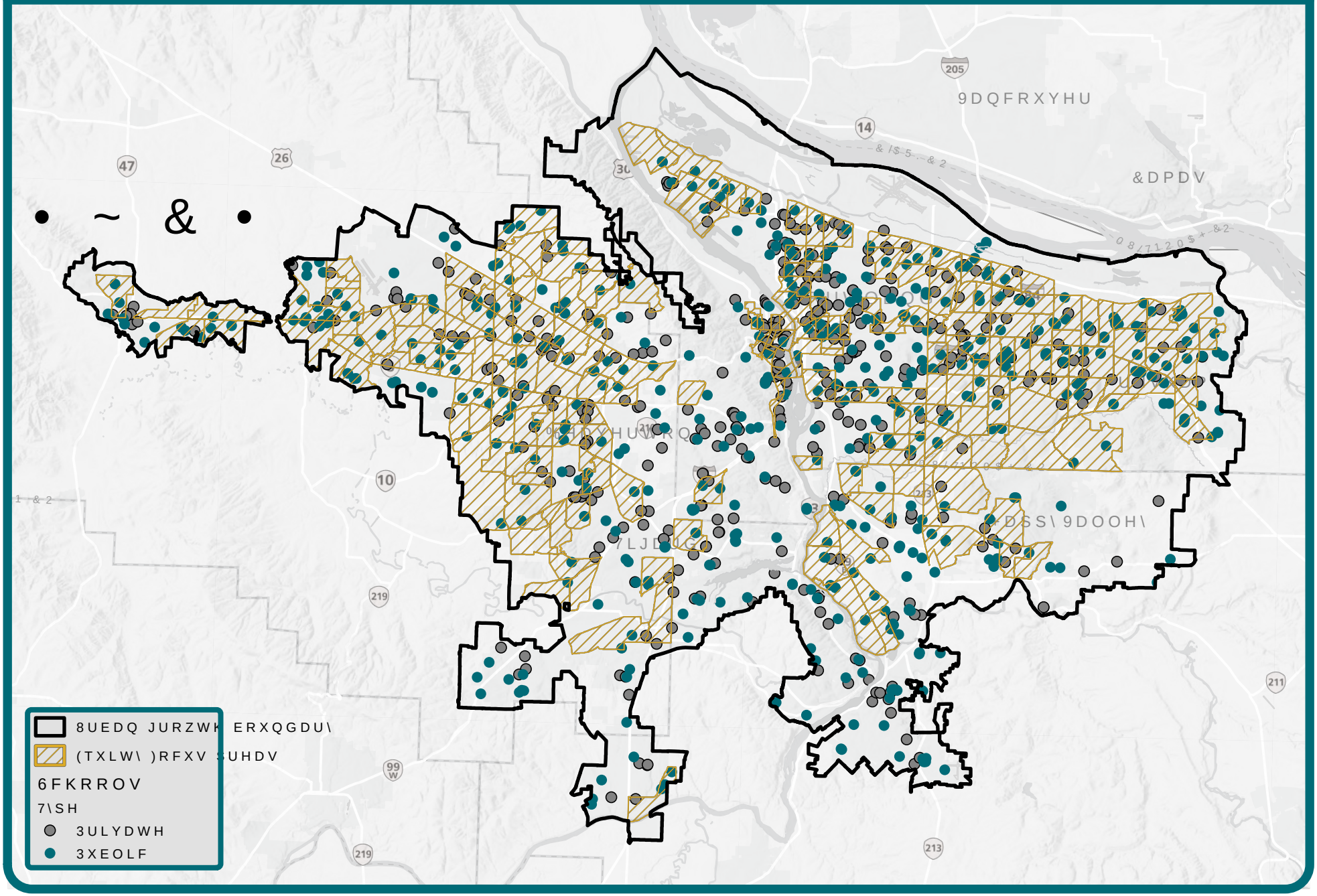
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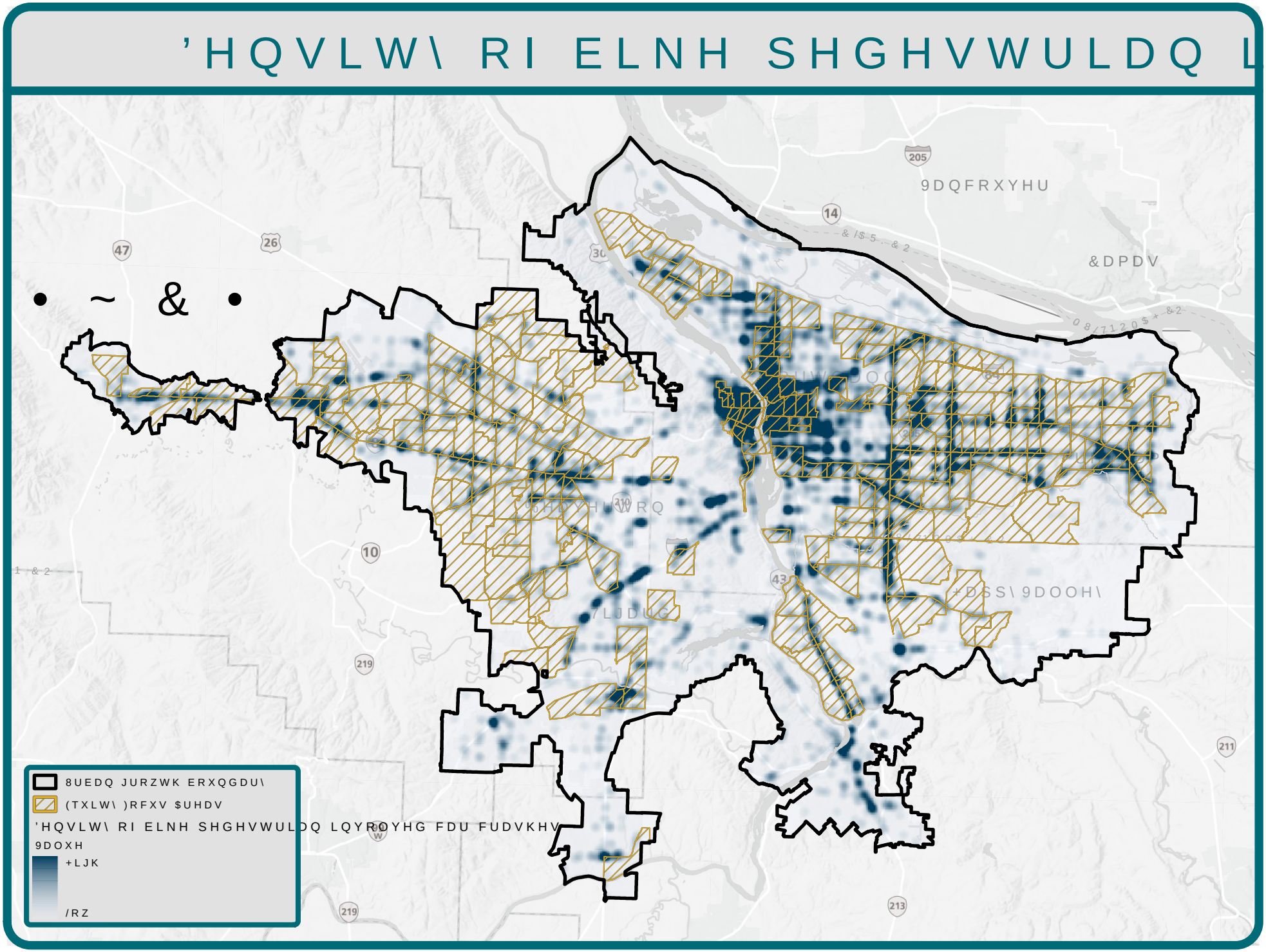

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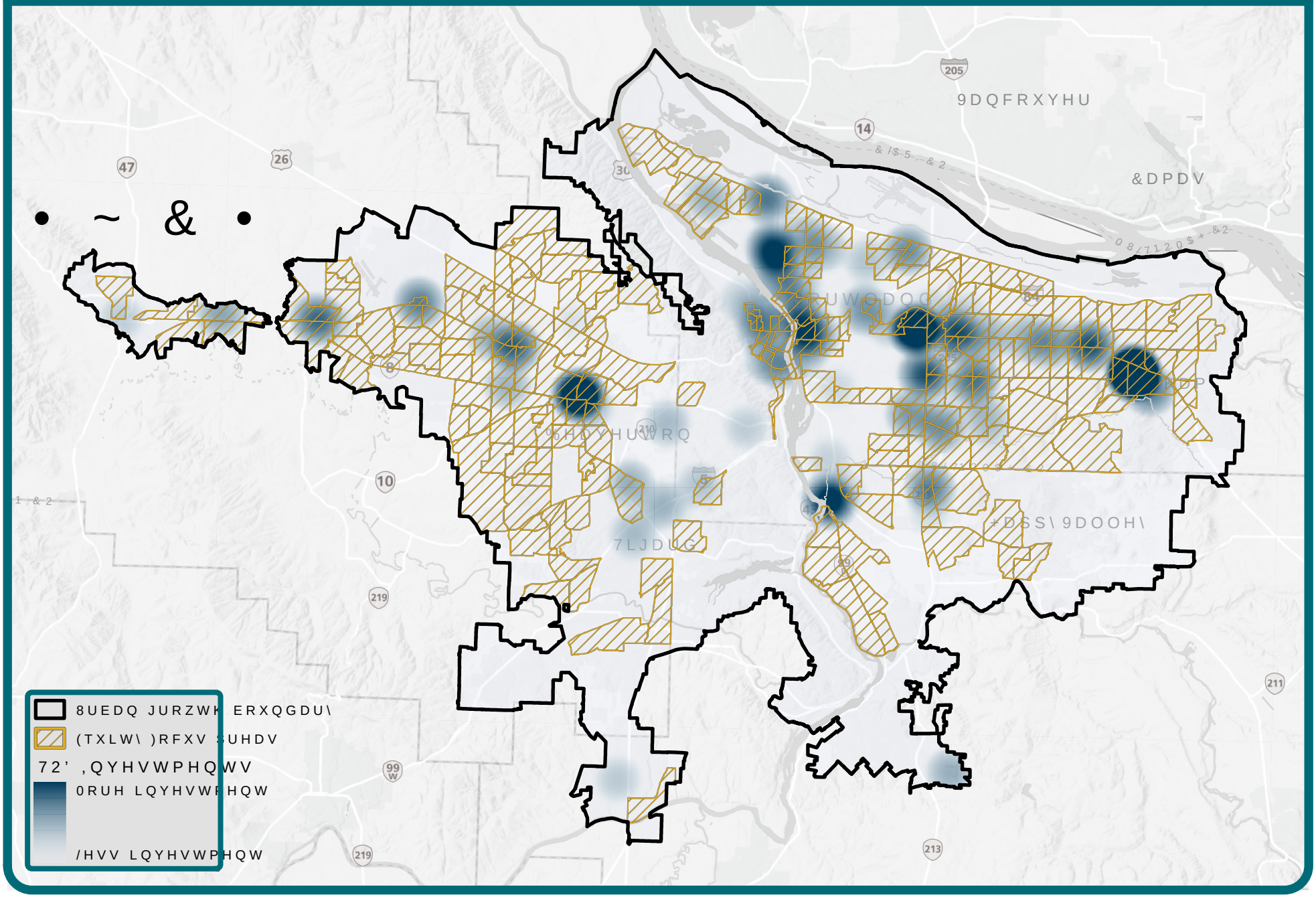


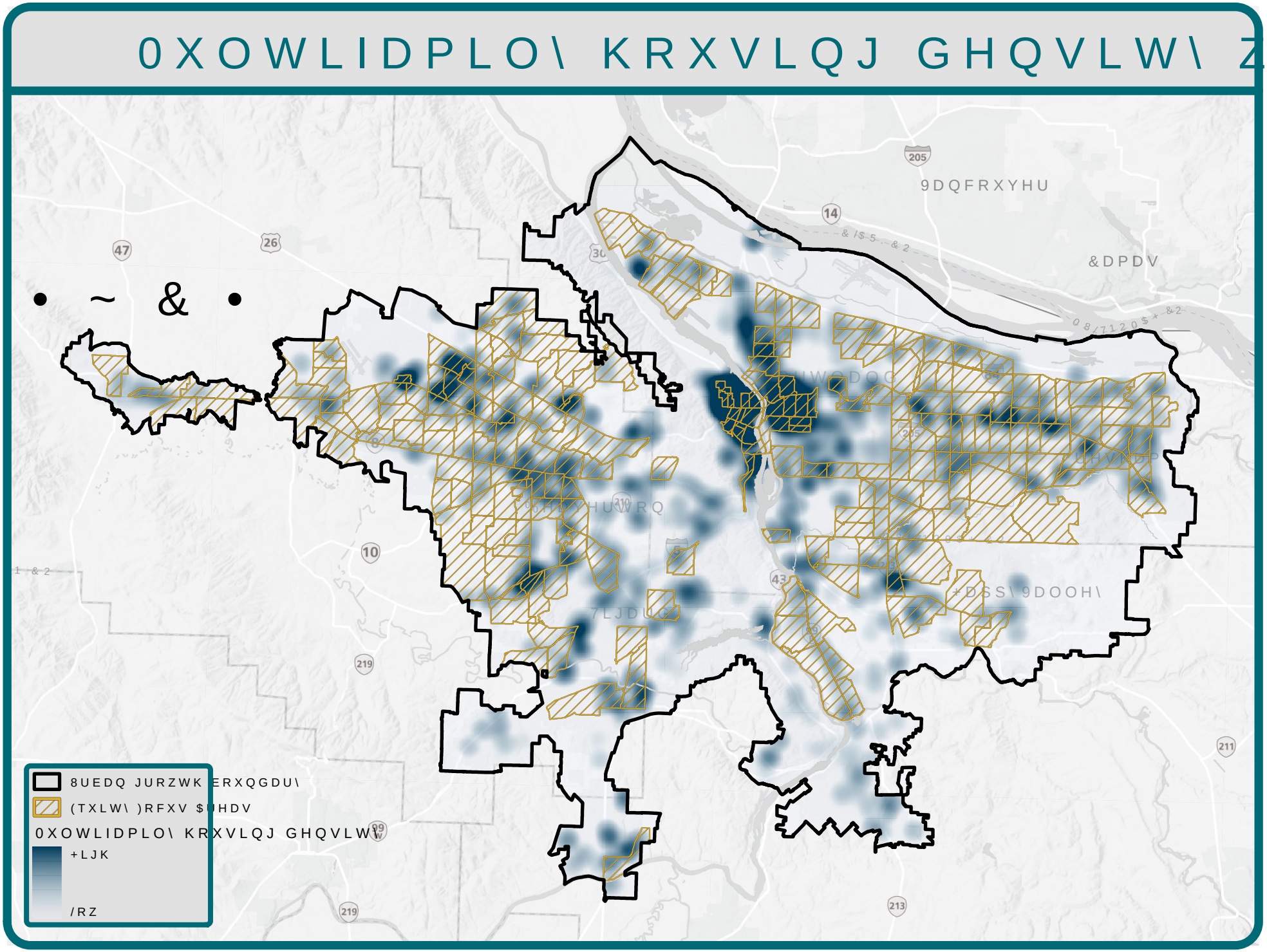
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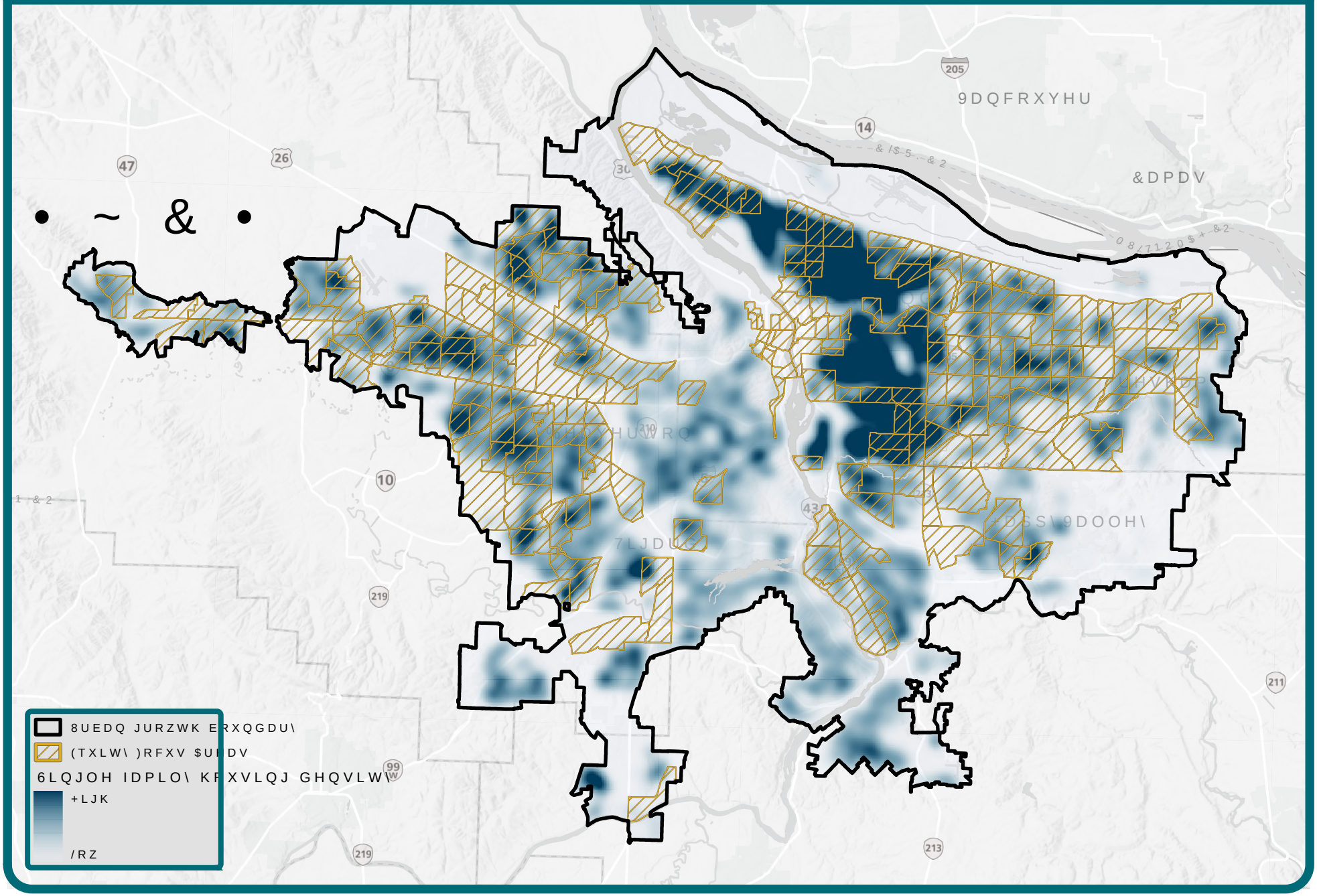

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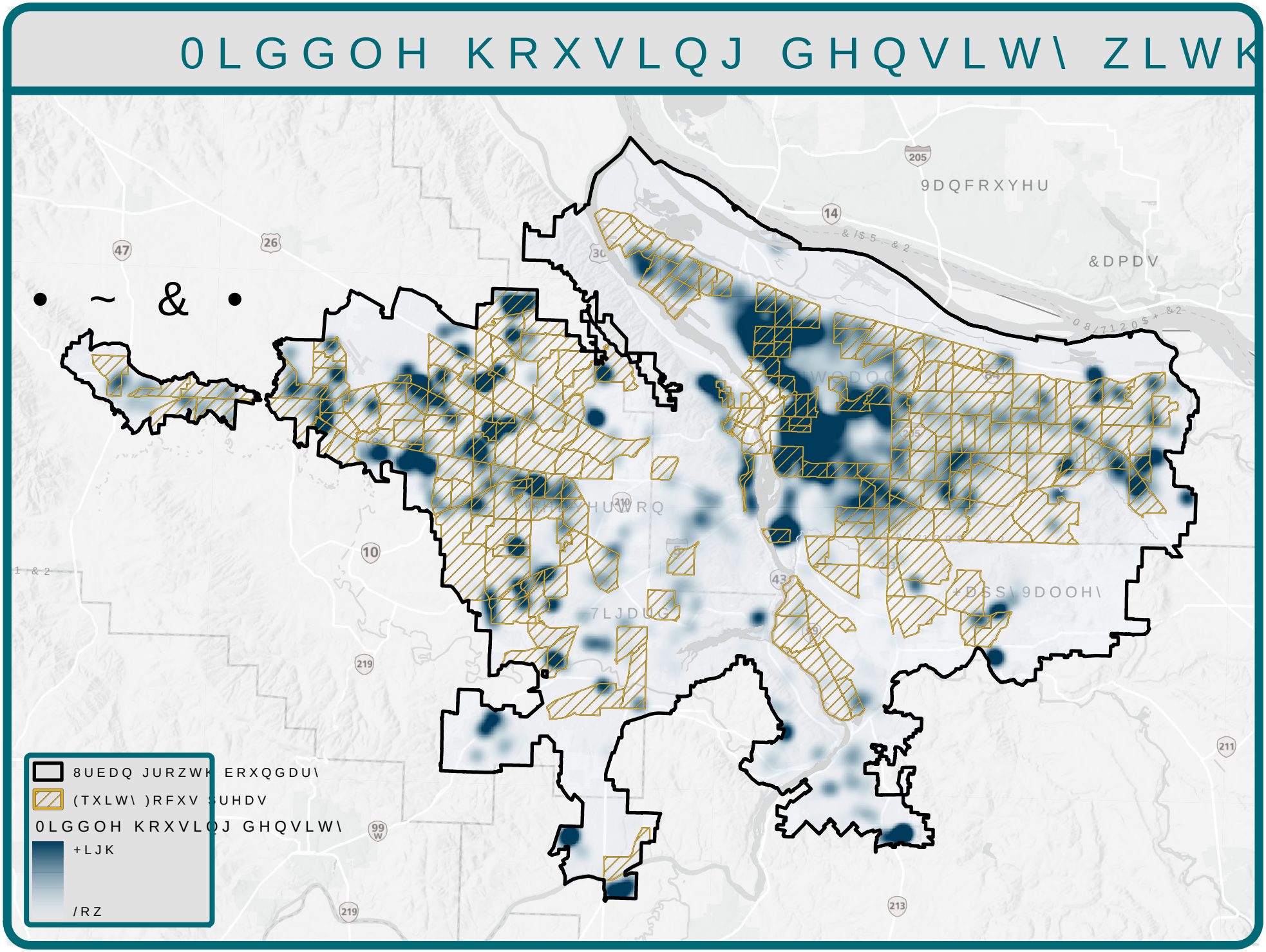
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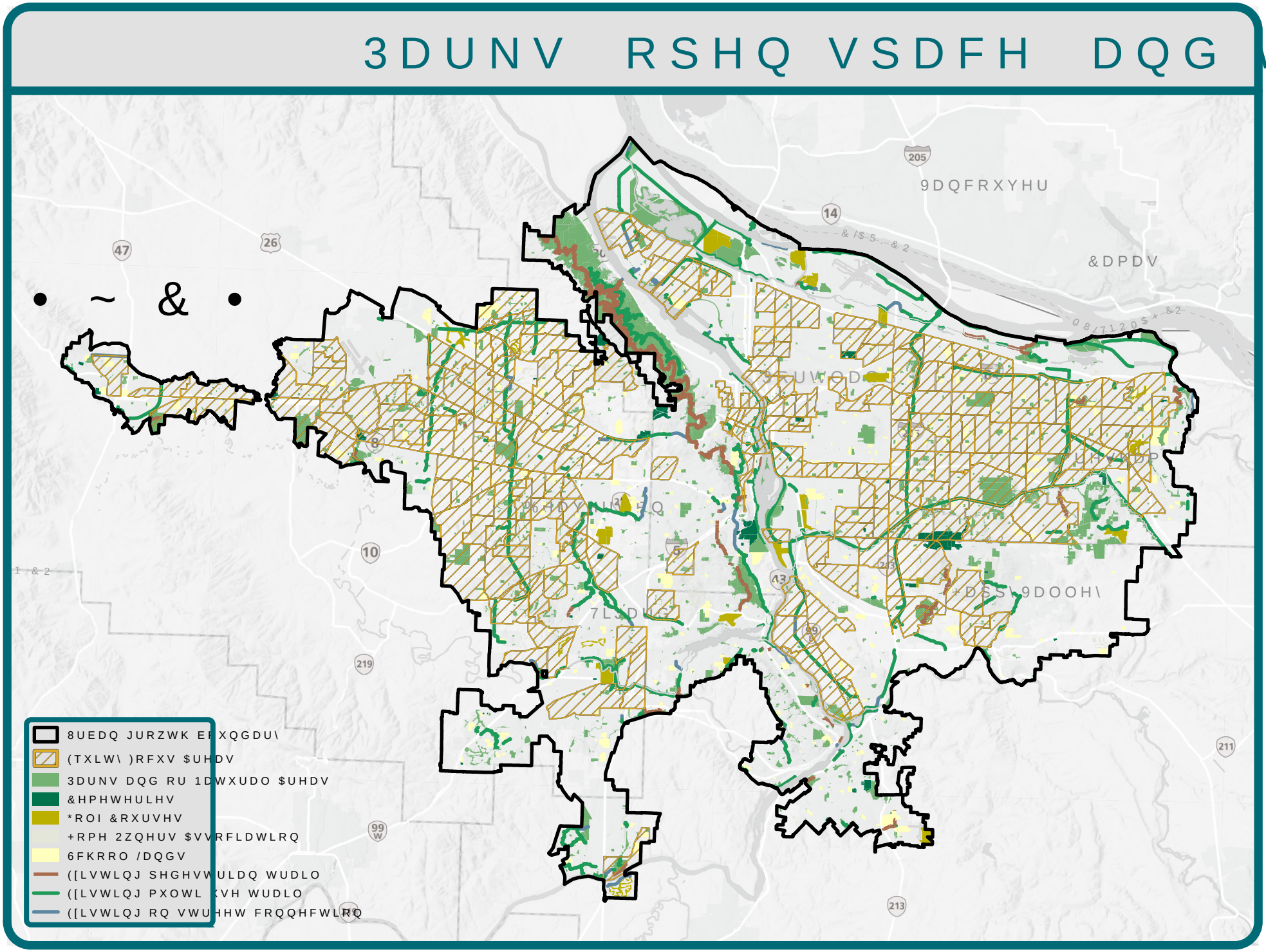

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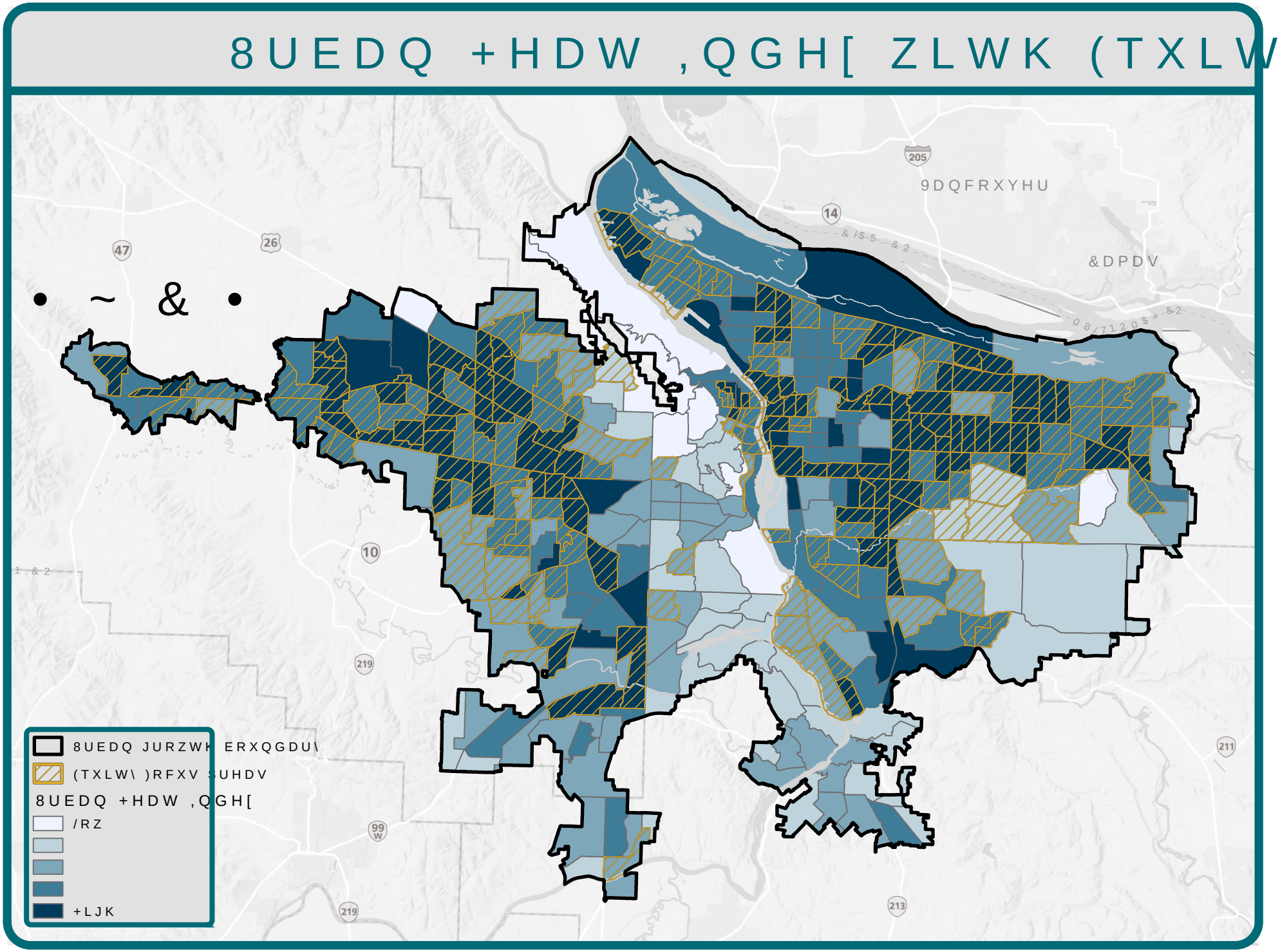
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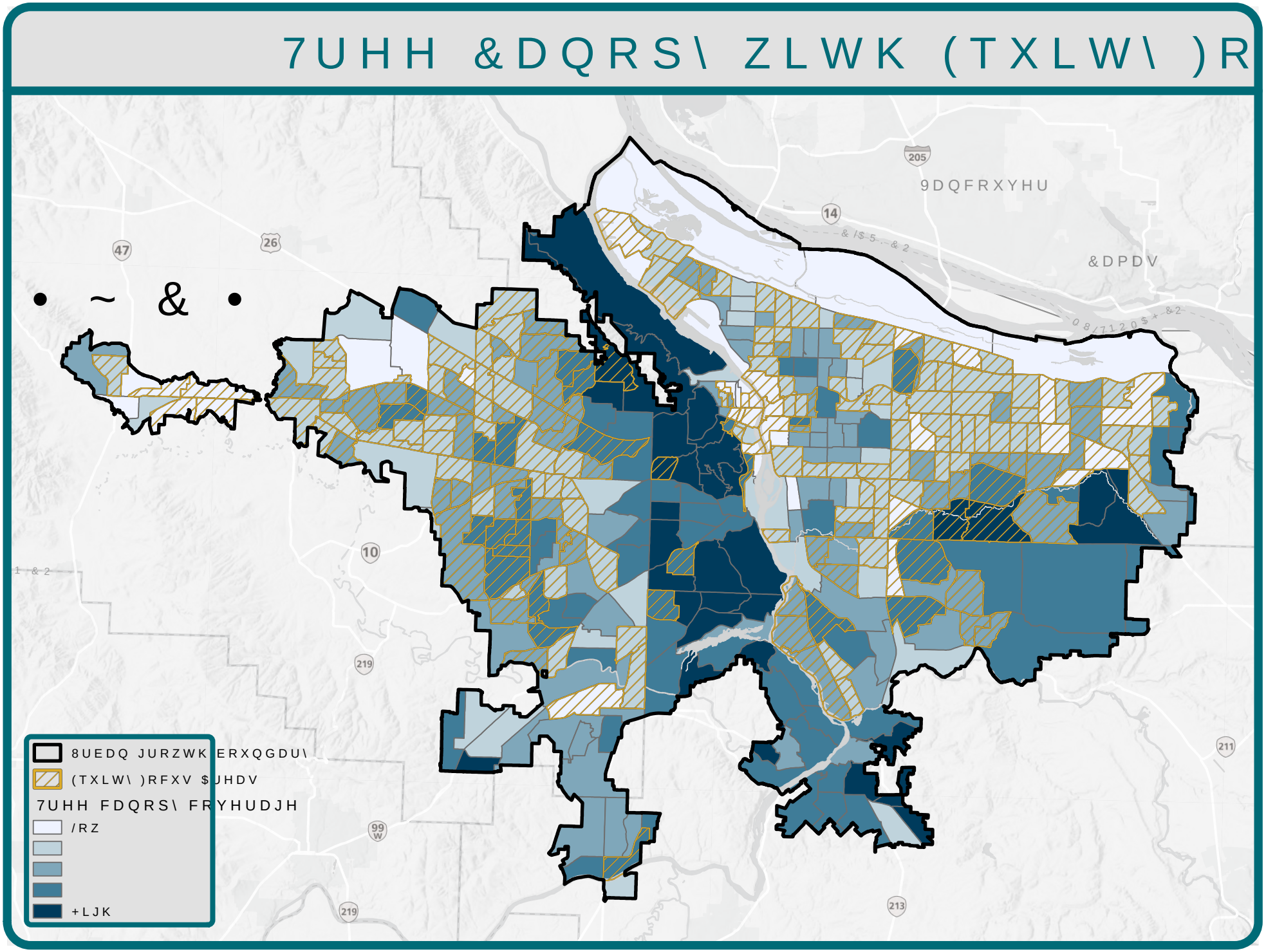



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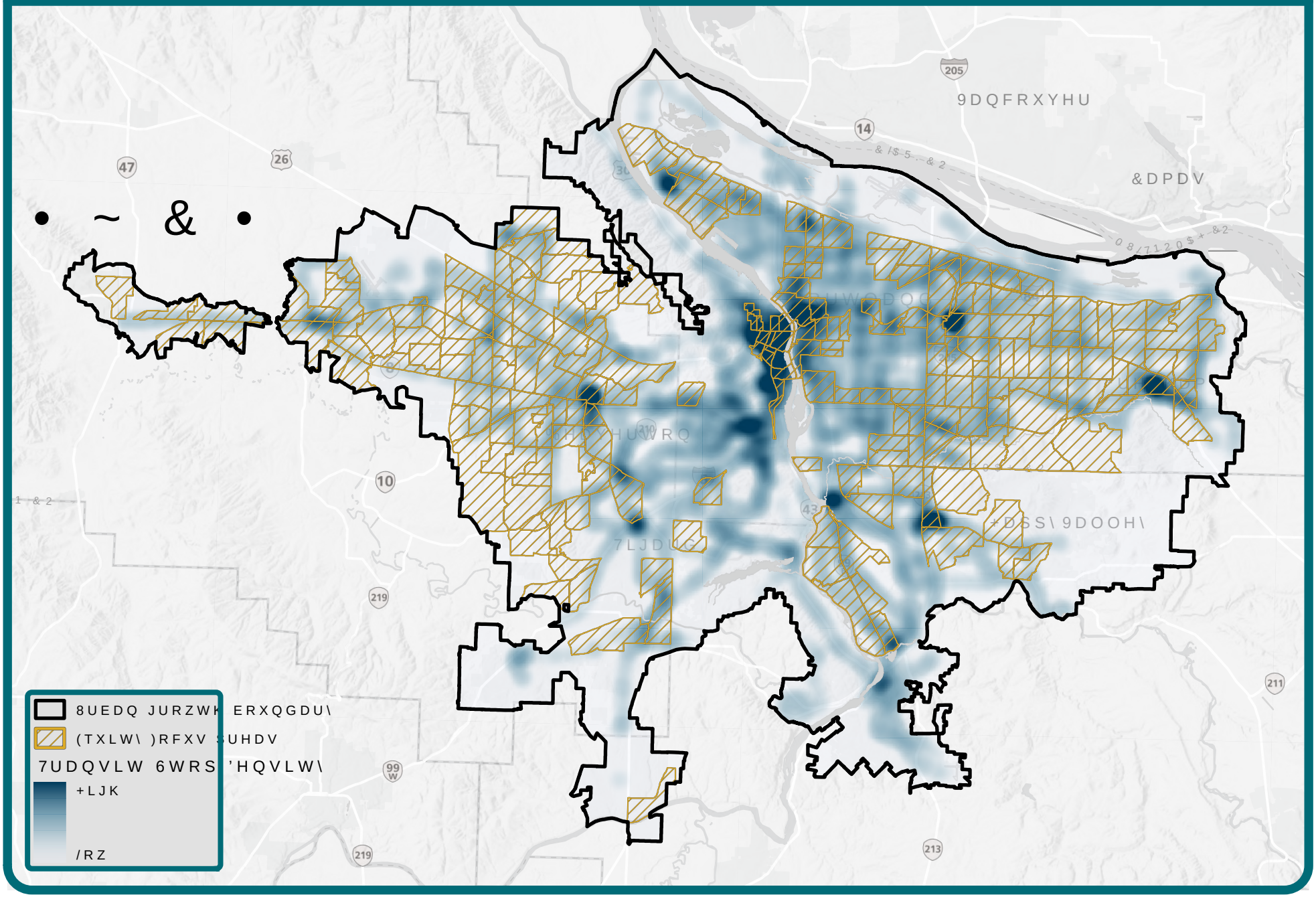



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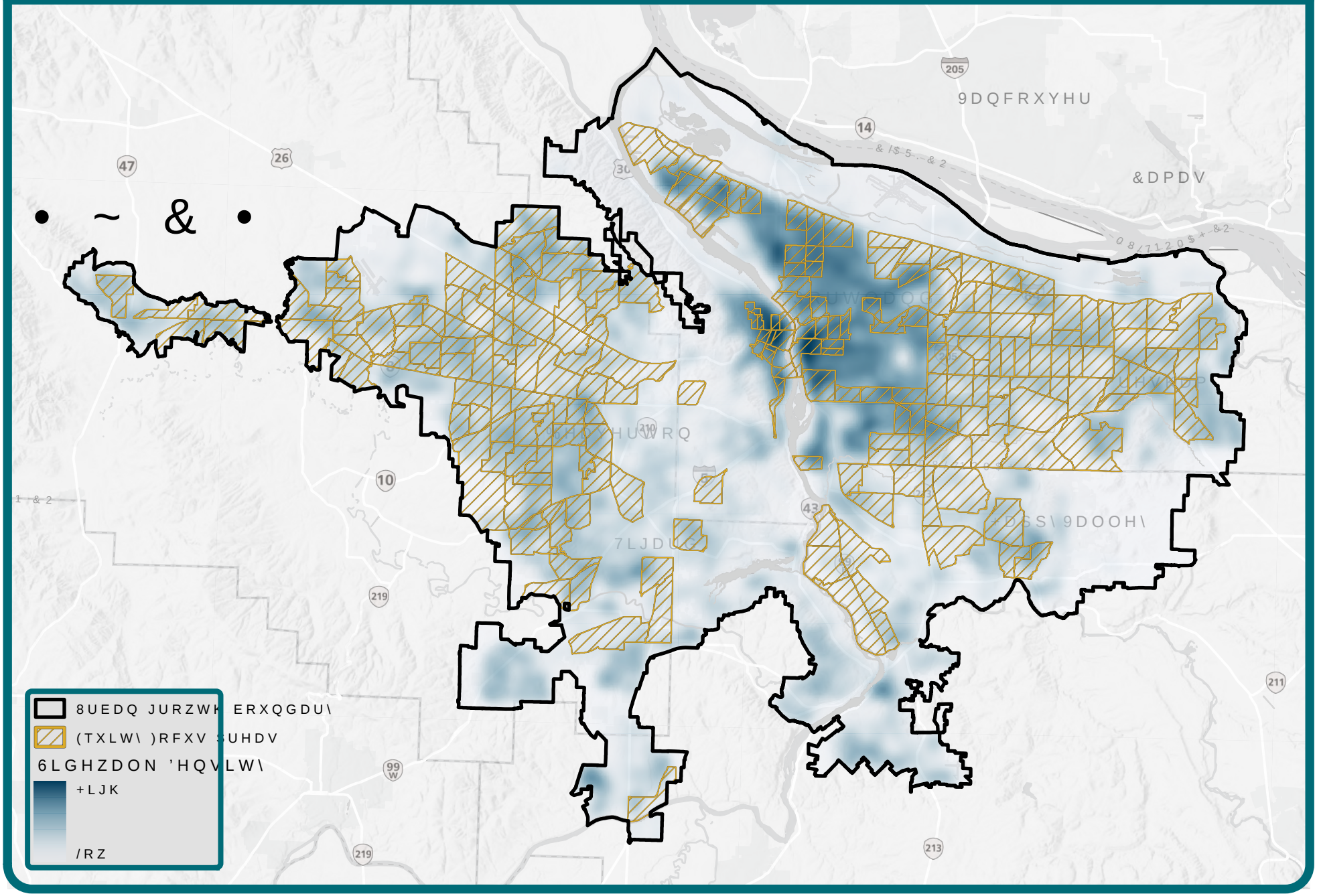

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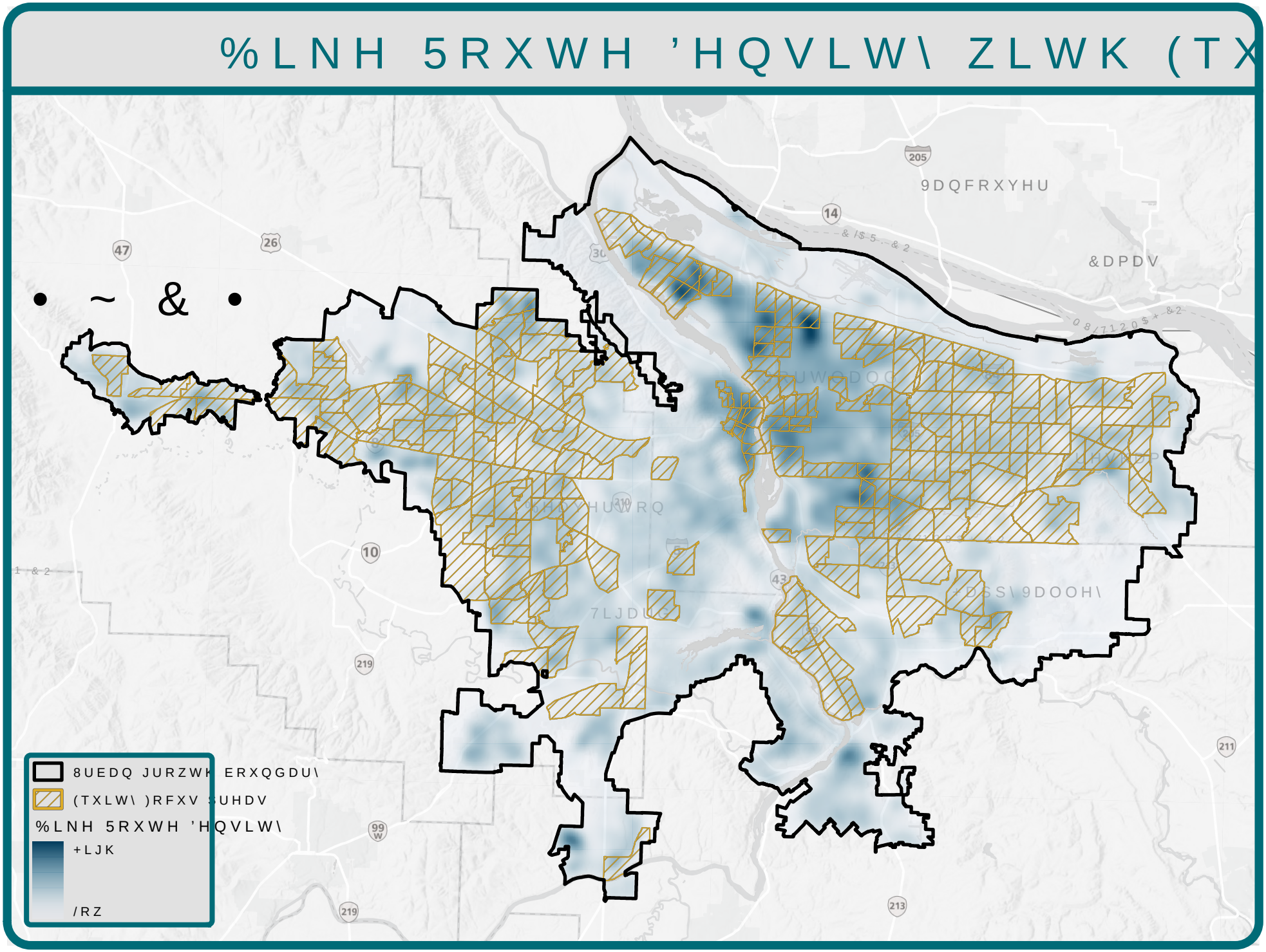
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ECOnorthwest

DATE:	July 18, 2025
TO:	Ted Reid, Metro
FROM:	ECOnorthwest
SUBJECT:	Tasks 2B and 2C: Market Conditions and Barriers to Housing Development -

This memo examines the types of housing currently being produced in the Metro region, including both private and nonprofit development, across for-sale and rental markets. It explores the key drivers shaping these trends and also identifies major market and non-market barriers to meeting the region's housing needs. This analysis will ultimately be incorporated into Metro's Regional Housing Coordination Strategy (RHCS).

Structure:

- **Part I: Market Conditions Affecting Housing Development** – What types of housing are being built, where is that housing located, and who is it serving? How does current production align with Metro's projected housing needs?
- **Part II: Barriers to Housing Development** – What's getting in the way of delivering the housing the region needs?

Part I: Market Conditions Affecting Housing Development

Production Trends in the Private Market

The Metro region has added new housing in recent years, but market-rate production has slowed under mounting economic pressures. National and global shifts—many triggered by the COVID-19 pandemic—have disrupted local housing development. High interest rates, labor shortages, and rising construction costs have changed what types of housing get built, where it is built, and who can afford it.

What units have been built?

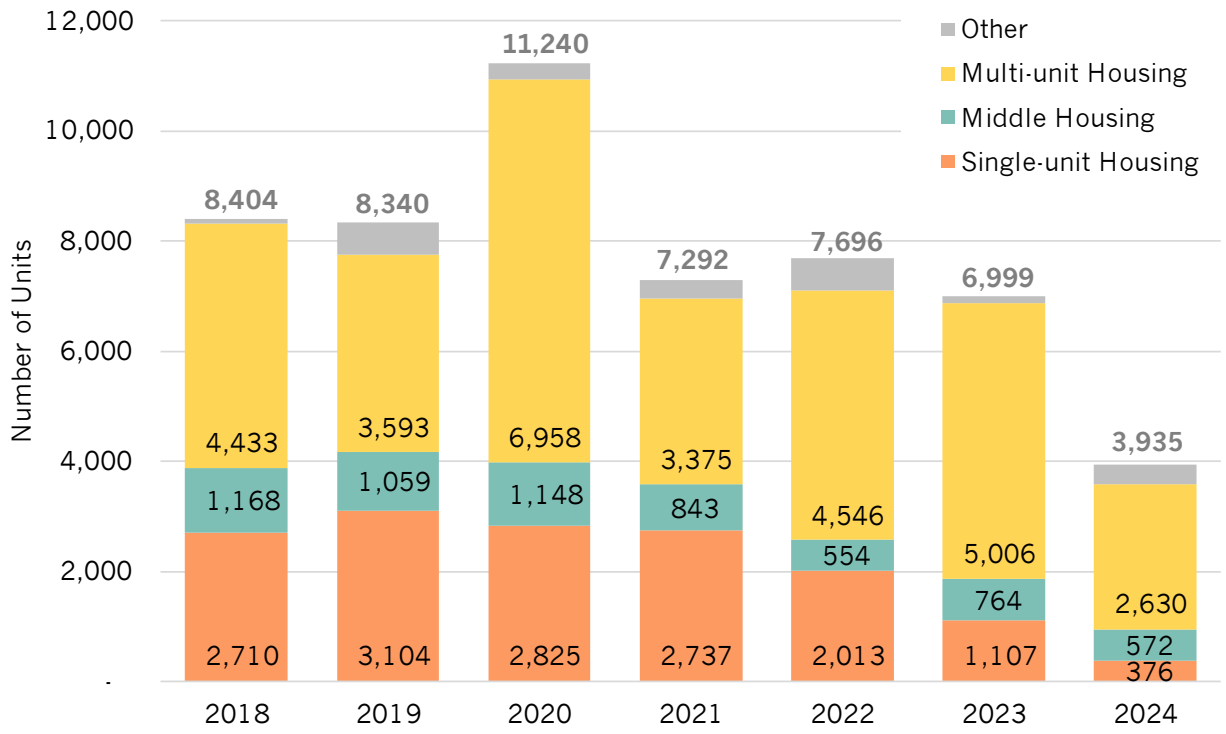
Within the Metro urban growth boundary (UGB), housing production averaged about 8,000 units per year from 2018 to 2023. In 2024, that figure dropped by roughly half, with declines observed across all housing types. The biggest decreases relative to recent trends are in single-unit housing, though multi-unit housing also declined noticeably compared to the 2018-2023 average (Exhibit 1).

These trends are not unexpected. Supply chain disruptions and labor shortages that began during the pandemic were followed by sharp increases in construction costs and interest rates. Together, these conditions have made it more difficult to finance new housing

development. A 2024 national survey of real estate professionals ranked Portland near the bottom among large urban centers for market attractiveness. However, Portland-based developers expressed greater optimism than their national peers, suggesting that some local actors remain willing to build under the right conditions.[1]

Multi-unit development has been especially affected by these dynamics. These projects have longer development timelines than single-unit housing, which creates a lag between market conditions and actual unit deliveries. The recent decline in multi-unit permitting is an early signal of potential further declines to come: In 2024, the City of Portland issued permits for just 856 multi-unit apartments, down from an average of 3,100 units per year between 2018-2023 . As these lower permit volumes progress through the pipeline, an additional decline in multi-unit deliveries is expected. Middle housing deliveries have also slowed, although the decline has been less severe than for other product types. Similar lag effects may still appear in this segment of the market.

Exhibit 1: Units Built by Type, Metro Region, 2018-2024

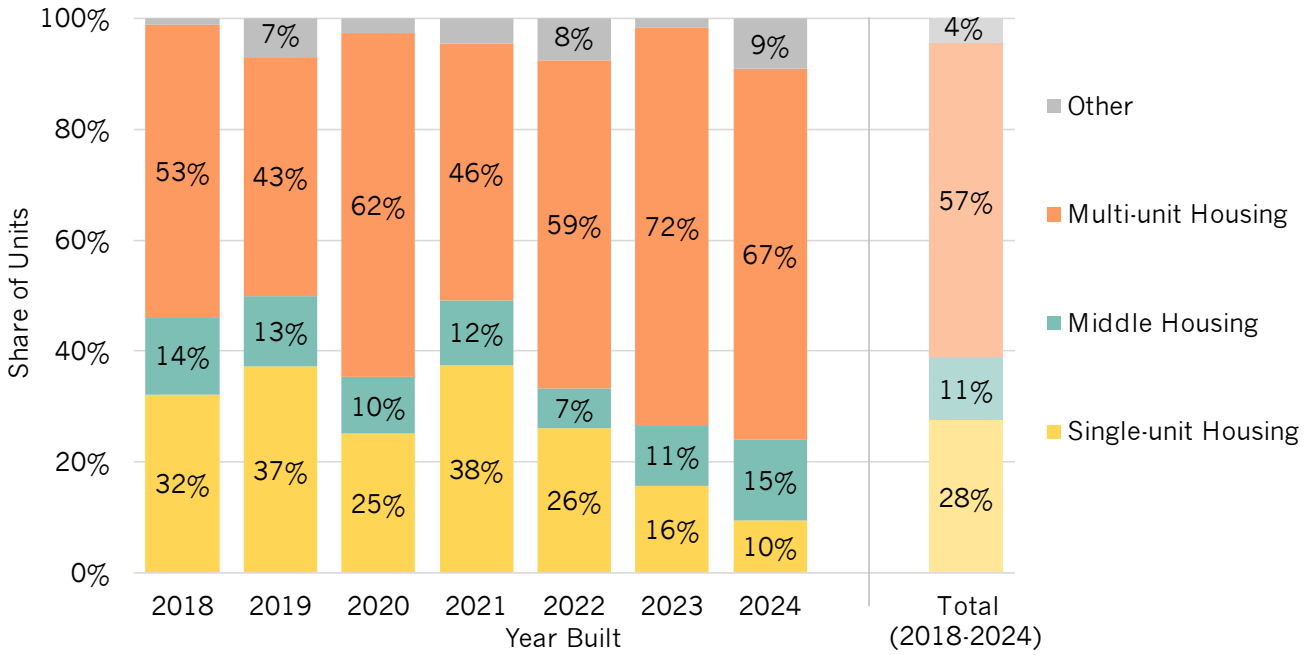


Source: Metro RLIS
Note: There is a lag between when units are delivered and when they appear in Metro RLIS data.
Note: Middle housing includes ADUs, plexes, townhomes, and cottage cluster housing. Other includes manufactured homes, dormitories, and retirement facilities.

[1] ULI Emerging Trends in Real Estate, 2025

As single-unit development slowed in 2023 and 2024, multi-unit development has made up a larger share of new housing deliveries. In 2024, multi-unit development accounted for 67 percent of newly delivered units, up from 53 percent in 2018 (Exhibit 2). This shift reflects current market conditions but could change in the coming years as the effects of recent permitting declines continue to work their way through the pipeline.

Exhibit 2: Distribution of Units Built by Type, Metro Region, 2018-2024

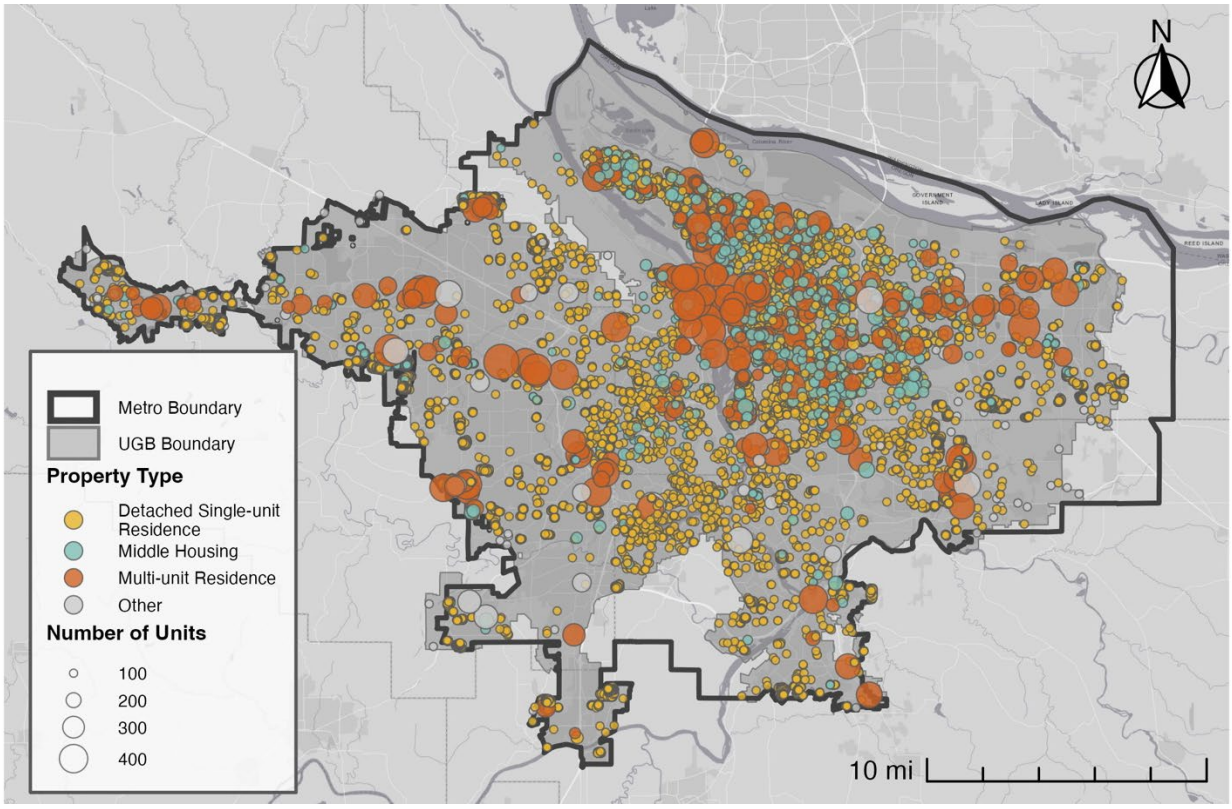


Source: Metro RLIS
Note: There is a lag between when units are delivered and when they appear in Metro RLIS data.
Note: Middle housing includes ADUs, plexes, townhomes, and cottage cluster housing. Other includes manufactured homes, dormitories, and retirement facilities.

Where have new units been built?

Since 2018, new residential development has been concentrated in specific areas of the Metro region (Exhibit 3). North and Northeast Portland have seen the highest number of new units delivered across all housing types. Multi-unit construction has been especially concentrated in the Pearl District and along the Williams, Interstate, and Mississippi corridors. Single-unit development has been more broadly distributed throughout the urban growth boundary. Middle housing activity is also focused in North and Northeast Portland.

Exhibit 3. Geographical Distribution of Residential Developments, Built 2018-2024



Source: Metro RLIS

Note: Middle housing includes ADUs, plexes, townhomes, and cottage cluster housing. Other includes manufactured homes, dormitories, and retirement facilities.

Who are new rental units affordable to?

An analysis of rents in new market-rate apartments shows affordability at a range of income levels depending on unit size (Exhibit 4). Newly delivered studios and one-bedroom units are generally affordable to households earning between 60 and 100 percent of area median income (AMI).[2] As of 2025, the AMI for the Portland MSA was $124,100 for a four-person household.

For context:

- A cashier earns an average of $38,000 annually
- An elementary school teacher earns an average of $87,000 annually
- An electrical engineer earns an average of $120,000 annually

Most studios are affordable to households earning 60 to 80 percent of AMI, while one-bedroom units, the most common type delivered in recent years, are most commonly affordable to households earning 80 to 100 percent of AMI. New two- and three-bedroom units are rarely affordable to households earning below 100 percent of AMI, even after accounting for the higher incomes typically associated with larger household sizes.

These patterns suggest that new market-rate development is meeting the needs of a range of income levels and household sizes but is not meeting the needs of the lowest-income renters or larger households.

METHODOLOGY: RENTAL AFFORDABILITY ANALYSIS

This analysis uses CoStar data, which reflects asking rents for units listed for rent (not rents paid by existing tenants, which may be lower). The dataset is strongest for larger market-rate multi-unit properties. Data used for this analysis excludes regulated affordable housing (as identified by CoStar) and age-restricted senior housing. Affordability was assessed using:

- Average effective rents (including temporary discounts) by unit type for each property (individual unit rents may vary)
- 2025 Area Median Income (AMI) for the Portland MSA ($124,100 for a four-person household), with adjustments for smaller units based on smaller household sizes using U.S. Department of Housing and Urban Development (HUD) methodology
- Estimated utility allowances, based on Portland Housing Bureau schedules

A unit is considered affordable if housing costs do not exceed 30 percent of a household's income, per HUD standards.

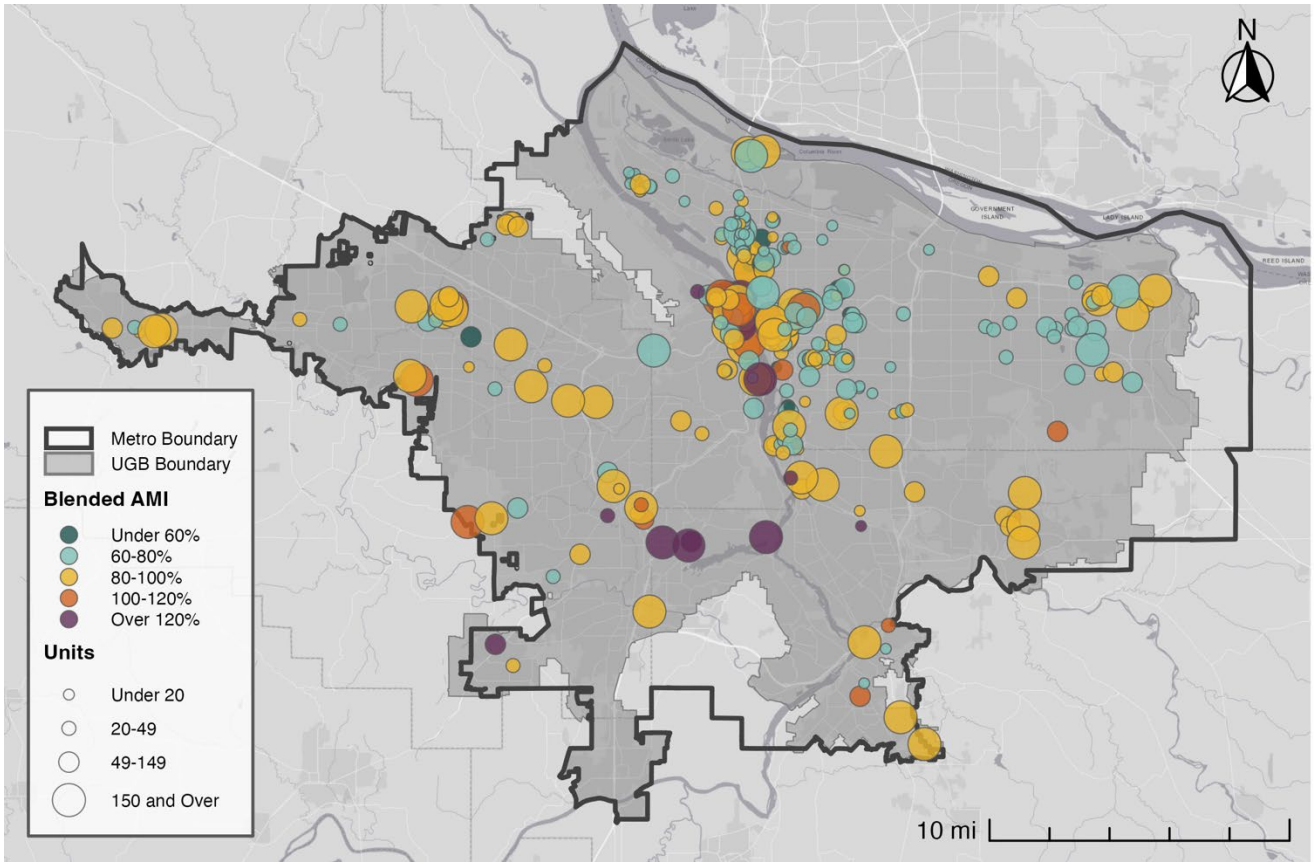
[2] Affordability calculations are adjusted based on unit size to account for different household sizes served by different unit sizes.

Exhibit 4. Multi-unit Affordability of Market Rate Units Built 2018 to Q1 2025, Metro Region

Source: ECOnorthwest, Costar 2025, U.S. Department of Housing and Urban Development Income Limits, Portland Housing Bureau 2025 Utility Allowance Schedule, accessed https://www.portland.gov/phb/documents/2025-utility-allowance-schedule/download.

Affordability patterns also vary by geography (Exhibit 5). Development in Portland's Central City and close-in neighborhoods spans a wide range of affordability levels. Development in suburban locations largely falls within the 80-100 percent AMI range (using a weighted average based on the unit mix and affordability of each size of unit), with some more affordable development in the eastern part of the region and some less affordable development in the southwestern part of the region.

Exhibit 5. Market Rate Multi-unit Development, Built 2018 to Q1 2025



Source: ECOnorthwest. CoStar 2025. U.S. Department of Housing and Urban Development Income Limits.
Note: Blended AMI is calculated based on a weighted average of the affordability levels for each unit size (using CoStar average rents by unit size) and the share of units at each size in a property.

Who are new ownership units affordable to?

Newly built for-sale housing in the Metro region is largely unaffordable to low- and middle-income households. Nearly all (99 percent) of single unit detached homes built and sold since 2022 are affordable only to households earning more than 120 percent of AMI (Exhibit 6).

Townhomes show a similar pattern, with most units priced beyond the reach of moderate-income buyers. Condos and co-ops offer slightly more affordability, with a greater share accessible to households earning between 100 and 120 percent of AMI. However, they represent a small portion of the ownership market, with about 1,000 units sold.

METHODOLOGY: OWNERSHIP AFFORDABILITY ANALYSIS

This analysis uses Redfin data on newly built homes sold since 2022. Affordability is based on estimated monthly housing costs in the year each home was sold, using the following inputs:

- 2022–2025 AMI thresholds from Portland Housing Bureau
- Typical costs: mortgage, property taxes, insurance, HOA fees, and utilities
- Mortgage calculations assume 30-year fixed-rate loans and year-specific interest rates (using Freddie Mac data)
- 20 percent down payment

A home is considered affordable if total housing costs do not exceed 30 percent of household income, consistent with HUD standards.

Note: Redfin's classification of condos and townhomes can be inconsistent; actual HOA fees may vary by project.

Exhibit 6. Units Sold by Housing Type and Affordability, Built and Sold 2022 to Q1 2025, Metro Region

Source: ECOnorthwest. Redfin 2025. U.S. Department of Housing and Urban Development Income Limits. Portland Housing Bureau 2022-2025 Utility Allowance Schedule. Portland Housing Bureau 2022-25

Income and Rent Limits. Freddie Mac, 30-Year Fixed Rate Mortgage Average interest rate in the US.
Note: Classification of townhouses and condos can be unreliable in Redfin data.

Affordability also varies by unit size. Most single-unit homes sold were three- and four-bedroom units. Townhomes were primarily three-bedroom, while condos were predominantly two-bedroom. These patterns suggest that different ownership types are serving different household types. However, few ownership units at any size and of any type are affordable to households earning below 100 percent of AMI (Exhibit 7).

Exhibit 7. Units Sold by Bedroom Count and Affordability, Built and Sold 2022 to Q1 2025, Metro Region

Source: ECOnorthwest. Redfin 2025. U.S. Department of Housing and Urban Development Income Limits. Portland Housing Bureau 2022-2025 Utility Allowance Schedule. Portland Housing Bureau 2022-25 Income and Rent Limits. Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States.
Note: Classification of townhouses and condos can be unreliable in Redfin data.

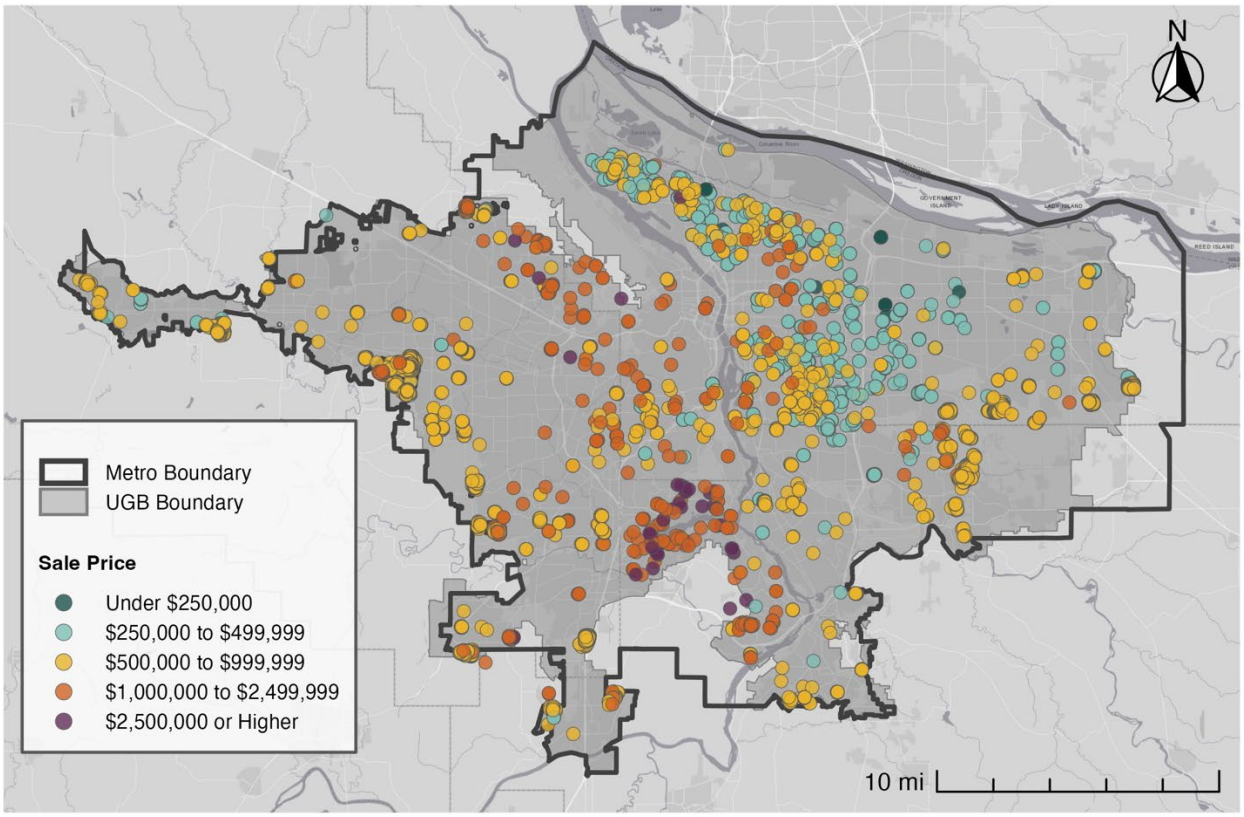
Where are new ownership units being built and sold?

New for-sale housing is unevenly distributed across the Metro region. The highest-priced homes are concentrated in Lake Oswego and along the Forest Park corridor (Exhibit 8). In contrast, lower-priced homes are more common near I-205 and in parts of North Portland.

Across the region, most new for-sale units built and sold outside Portland are single-unit homes (Exhibit 9). Condos and townhomes are more frequently developed within the city of Portland. New construction activity is especially concentrated in Southeast Portland and in North Portland neighborhoods such as Woodlawn, Kenton, and St. Johns.

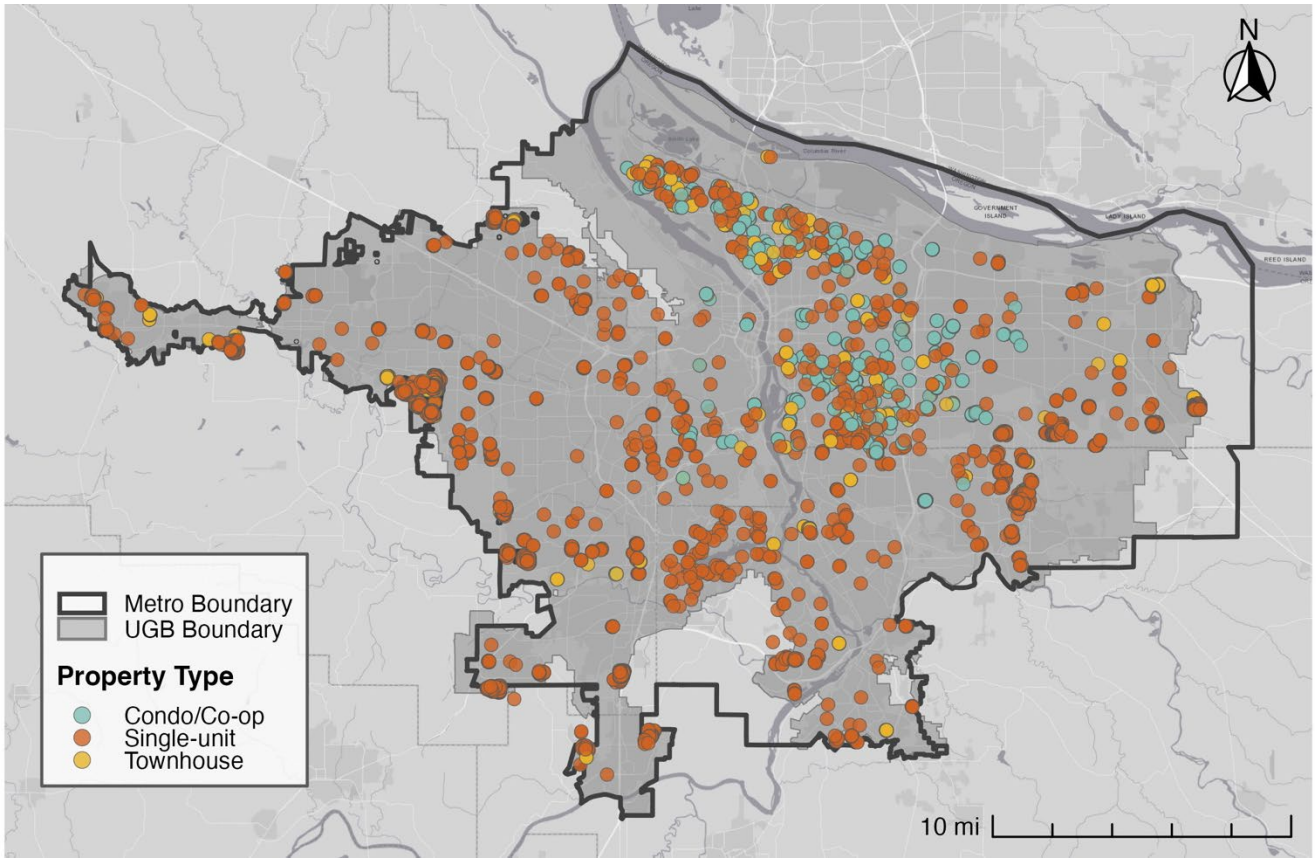
Because condo development is concentrated in Portland, the few ownership units affordable to households earning 100 to 120 percent of AMI are also located almost entirely within the city of Portland.

Exhibit 8. Geographic Distribution of Sales Price, Units Built and Sold 2022 to Q1 2025



Source: Redfin

Exhibit 9. Geographic Distribution of Property Type, Units Built and Sold 2022 to Q1 2025



Source: Redfin.
Note: Classification of Townhouses and Condo can be unreliable in Redfin data.

Nonprofit and Affordable Sector Production

Production trends in the nonprofit and affordable housing sector reflect some of the same challenges facing the private market, including escalating construction costs, labor shortages, and permitting delays. However, the scale, timing, and location of affordable housing development are driven less by developer sentiment and more by the availability and structure of public financial support. Key sources of public support include local, state, and federal funding programs such as the Metro Housing Bond, Low-Income Housing Tax Credits (LIHTC), and gap financing from housing bureaus and state agencies.

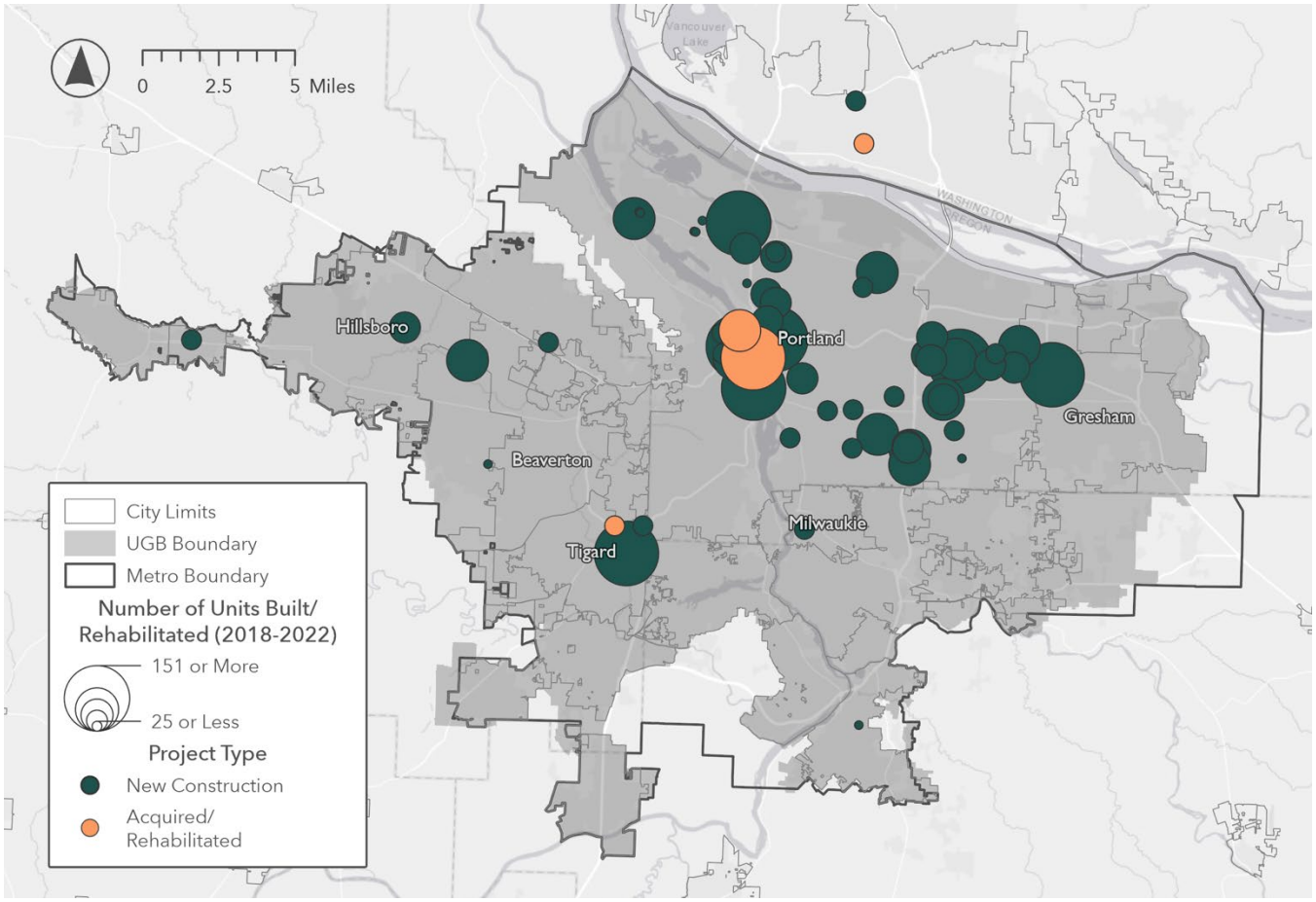
Exhibit 10 shows the number of affordable housing units that were either newly constructed or rehabilitated between 2018 and 2022. Over this period, the region added 5,660 new or rehabilitated units. New construction activity declined from 2018 to 2020 but remained relatively steady between 2020 and 2022.

Exhibit 10. New and Rehabilitated Affordable Housing Units in the Metro Region, 2018-2022

Source: Metro Affordable Housing Inventory (revised by ECOnorthwest in 2023).
Note: The most recent data update occurred in mid-2023. Data from 2023 was excluded from this chart to avoid presenting an incomplete or potentially misleading picture of annual development activity.

The spatial distribution of these units is shown in Exhibit 11. Unit delivery was most concentrated in inner Portland, both west and east of the Willamette River, with a secondary cluster east of 82nd Avenue in outer east Portland and several developments in Tigard. These locations reflect where land is available, where subsidies can be layered effectively, and where jurisdictional partners are actively supporting development.

Exhibit 11. Distribution of New and Rehabilitated Affordable Housing Units in the Metro Region, 2018-2022



Source: Metro Affordable Housing Inventory (revised by ECOnorthwest in 2023).

DATA LIMITATIONS: AFFORDABLE HOUSING INVENTORY

One limitation of this analysis is the lack of a regularly updated affordable housing dataset. The most recent official Metro update to the Affordable Housing Inventory was in 2022. ECOnorthwest revised the data in 2023 by incorporating records from the Oregon's Affordable Rental Housing program and Portland Housing Bureau, but this update was completed mid-year and may not fully reflect 2023 activity.

An alternative dataset, the Oregon Affordable Housing Inventory (OAHI), includes fields such as units by AMI and bedroom counts that would support deeper analysis. However, the most recent readily available version is from 2022.

Gaps Between Market Output and Regional Needs

Despite recent housing production in the Portland region, a clear and persistent mismatch exists between what the market — both private and nonprofit — has been delivering and what regional demographics and affordability benchmarks suggest is needed.

What has the market delivered?

As outlined in Part I of this memo, the private market has primarily delivered:

- Rental housing affordable mostly to households earning above 80 percent of AMI, with limited lower-cost options in studios and one-bedroom formats
- For-sale housing affordable almost exclusively to households earning over 120 percent of AMI, with limited delivery of units affordable to moderate-income buyers, usually in the form of condos.

While new market-rate rental housing has provided some modest affordability for smaller households, larger units, such as two- and three-bedroom apartments, remain unaffordable to most households below 100 percent of AMI.

On the regulated side, affordable housing development since 2018 has expanded supply, but production remains well below what's needed to meet the growing demand from low-income and cost-burdened households.

Together, these production patterns reveal a system that is delivering a limited range of options (almost exclusively rental units, generally smaller units) for moderate-income households and wider range of options (rental and ownership) for higher-income households.

WHERE HOUSING IS AND ISN'T BEING BUILT

Recent housing production has been concentrated in select corridors, particularly the Pearl District and North and Northeast Portland, where infrastructure and zoning support multi-unit development. Inner Portland — both west and east of the Willamette River — and areas east of 82nd Avenue have seen substantial development of subsidized affordable housing.

In contrast, many high-opportunity areas — including parts of Southwest suburbs outside the Portland core and neighborhoods in Northwest Portland — have seen little new housing affordable to low- or moderate-income households. Barriers in these areas include limited land availability, high land costs, and infrastructure constraints.

Why this matters: Without changes in land use policy and funding priorities lower-income households will continue to be excluded from high-opportunity neighborhoods. This reinforces patterns of racial and economic segregation and limits Metro's ability to meet regional equity goals.

What does the region need?

Metro's 2024 Urban Growth Report estimates that the region will need approximately 178,000 new housing units within the Metro UGB from 2024 to 2044. This includes:

- 59,200 single-unit detached homes (33 percent)
- 37,100 middle housing units (21 percent)
- 81,700 multi-unit apartments (46 percent)

This mix reflects both projected household growth and the need to correct existing housing deficits. But housing need is not only about quantity; it is also shaped by who lives in the region and what kinds of housing they require. This mix is intended to reflect demographic and economic shifts such as shrinking household size, aging populations, and slower income growth.

INCOME-BASED NEED

The region's housing challenges are increasingly income-driven. More than 60 percent of new households projected between 2024 and 2044 will have incomes below $60,000. Among new renter households, that share rises to 85 percent. This points to strong and growing need for housing affordable to households earning less than 80 percent of AMI, especially those earning between 30 and 60 percent AMI.

Table 10 of the Urban Growth Report outlines current unmet housing needs by income group. These reflect the long-term underproduction of housing, especially affordable housing which has been a national trend since the 2007–2008 housing crisis. Underproduction is essentially the backlog of homes that ideally would have been built to keep up with household growth. This underproduction contributes directly to housing instability and homelessness, particularly among the lowest-income households.

Estimated current unmet housing need by income group includes:

- 0–30 percent AMI: 11,950 units (including those experiencing homelessness)
- 30–60 percent AMI: 6,000 units
- 60–80 percent AMI: 2,950 units
- 80–120 percent AMI: 2,200 units
- 120+ percent AMI: 700 units

These figures confirm that the largest affordability gaps exist at the lower end of the income spectrum, where the market is producing the fewest units, and where public subsidy is essential to meeting need.

AGE AND HOUSEHOLD COMPOSITION

Demographic change is a second major driver of housing need. By 2044, the Urban Growth Report projects that:

- With fewer people choosing to have children, the median householder age will increase. Households headed by someone over 65 years will constitute the greatest share – almost two-thirds – of the change in households.
- Most new households will be smaller. The average household size is projected to decline from 2.41 to 2.27 people.
- A growing share of households will be single-person or two-person households without children.

These shifts are already shaping the region's housing needs:

- Demand is increasing for small, accessible units that can accommodate aging households.
- Many of these households will rely on fixed or moderate incomes, increasing affordability pressures.
- The number of households with children will decline, though a significant share of Millennials aging into midlife will continue to require larger housing units.

DISABILITY AND ACCESSIBILITY

While the Urban Growth Report does not estimate the number of households with disabilities, it does include a population forecast by disability status. Between 2024 and 2044, the number of individuals with one or more disabilities is projected to increase from 335,063 to 446,724.Because the likelihood of experiencing a disability rises with age, the forecast is age-adjusted to reflect the region's aging population and the growing share of residents entering retirement age, when disability rates increase substantially.

This projected growth signals increasing demand for:

- Accessible and adaptable housing
- Proximity to health services and transit
- Supportive housing options

How does current production align with need?

Current production is not well aligned with the region's housing needs, either in terms of who is being served or what types of housing are being built.

From 2018 to 2024:

- Only 11 percent of new units were middle housing, below the 21 percent share identified in Metro's projected housing mix for the 2024-2044 planning period.
- Most new rental production has delivered small units (studios and one-bedrooms) affordable primarily to households earning above 80 percent of AMI.
- Family-sized rental units affordable to households below 80 percent of AMI remain rare.
- New homeownership opportunities are largely inaccessible to households earning below 120 percent of AMI
- Some high-opportunity neighborhoods continue to see limited delivery of income-diverse housing. Meanwhile, new affordable development (particularly subsidized housing) remains concentrated in historically underinvested communities, reinforcing patterns of segregation.

If these trends continue, the region will underproduce housing for lower- and moderate-income households, fall short in delivering sufficient middle housing types, and miss key opportunities to support inclusive, mixed-income neighborhoods in high-opportunity areas.

Part II: Barriers to Housing Development

A wide range of market, structural, and policy barriers constrain the production of needed housing in the Metro region. These barriers affect both private and nonprofit developers, though the specific challenges vary by sector, housing type, and geography. Barriers also interact in complex ways. For example, high development costs can compound the effects of restrictive zoning, while fragmented governance can delay projects even when supportive policies are in place.

This section summarizes key barriers to housing production, drawing on data, case examples, and extensive stakeholder input. While additional barriers may exist, this list highlights some of the primary challenges facing the region today. The analysis incorporates qualitative insights from Metro's RHCS engagement process, as well as prior engagement conducted by Metro and ECOnorthwest. It reflects perspectives from local governments, affordable housing developers, culturally specific organizations, service providers, and community advocates. It also draws on barriers documented in local Housing Production Strategies (HPS) and other publicly available reports.

Together, these sources provide a broad and grounded understanding of the market, non-market, and structural factors shaping housing outcomes across the region.

Market Barriers Affecting Feasibility

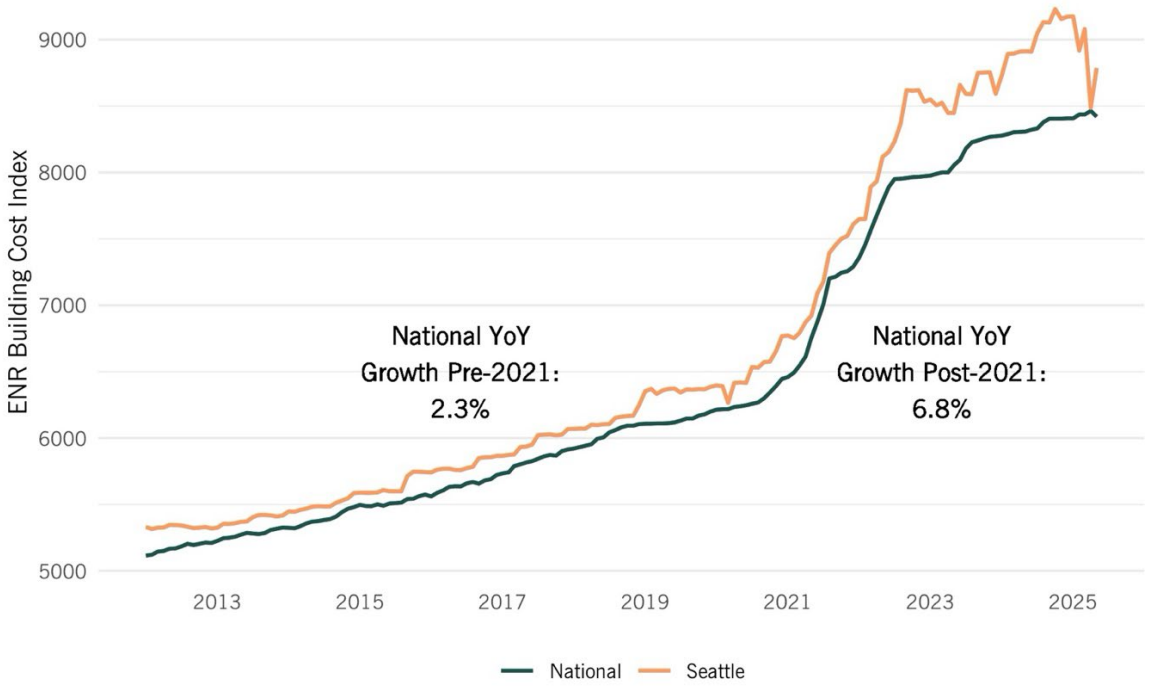
These are economic or financial conditions that inhibit production, even where zoning is permissive.

- **Construction costs escalation**: Inflation rose sharply across the national and global economy in 2022. While the causes of this uptick are still debated, the impact on construction costs in the US was significant. Labor shortages have also contributed to construction cost escalation. From 2012 to 2021, U.S. construction costs (which includes labor and materials) rose an average of 2.3 percent per year. Between 2021 and 2025, that rate jumped to 6.8 percent per year.

  In Seattle, cost escalation was even more pronounced (Exhibit 11). However, the most recent data suggest that construction costs in Seattle may be moving back toward the national average. Because ENR construction cost data is only available for select U.S. cities, Seattle is used here as a proxy for Pacific Northwest trends.

  Although construction cost inflation has stabilized somewhat in the past one to two years, elevated costs continue to pose a significant constraint on project feasibility. Costs are unlikely to decline in real terms. In addition, the potential effects of new or expanded federal tariffs may introduce further uncertainty and could slow development activity by making future construction cost trends more difficult to predict.

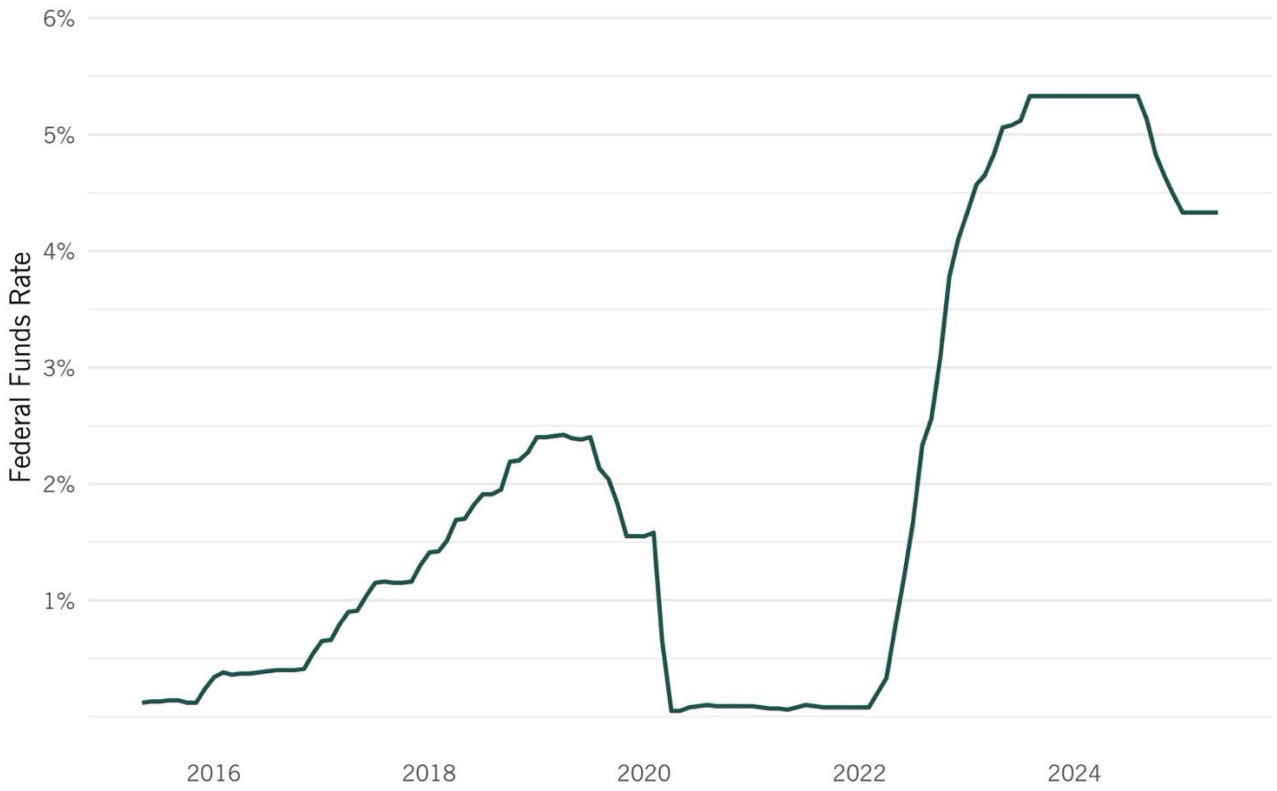
Exhibit 12: Building Construction Cost Escalation, 2012-2025



Source: ENR Cost Data, Building Cost Index, Accessed May 2025.

- **Rising cost of debt:** Federal Reserve interest rate hikes since 2022 have made debt substantially more expensive (Exhibit 16).[3] This challenges development project feasibility across the board but housing affordable to middle-income households (80–120 percent of AMI) may be affected the most. This segment of the market has a narrow feasibility range: developers must keep rents or prices affordable enough to achieve sustainable occupancy but cannot access federal or local affordable housing financing, as most programs are limited to units affordable below 80 percent AMI.

Exhibit 13: Federal Funds Effective Rate (Monthly Average), 2016-2025



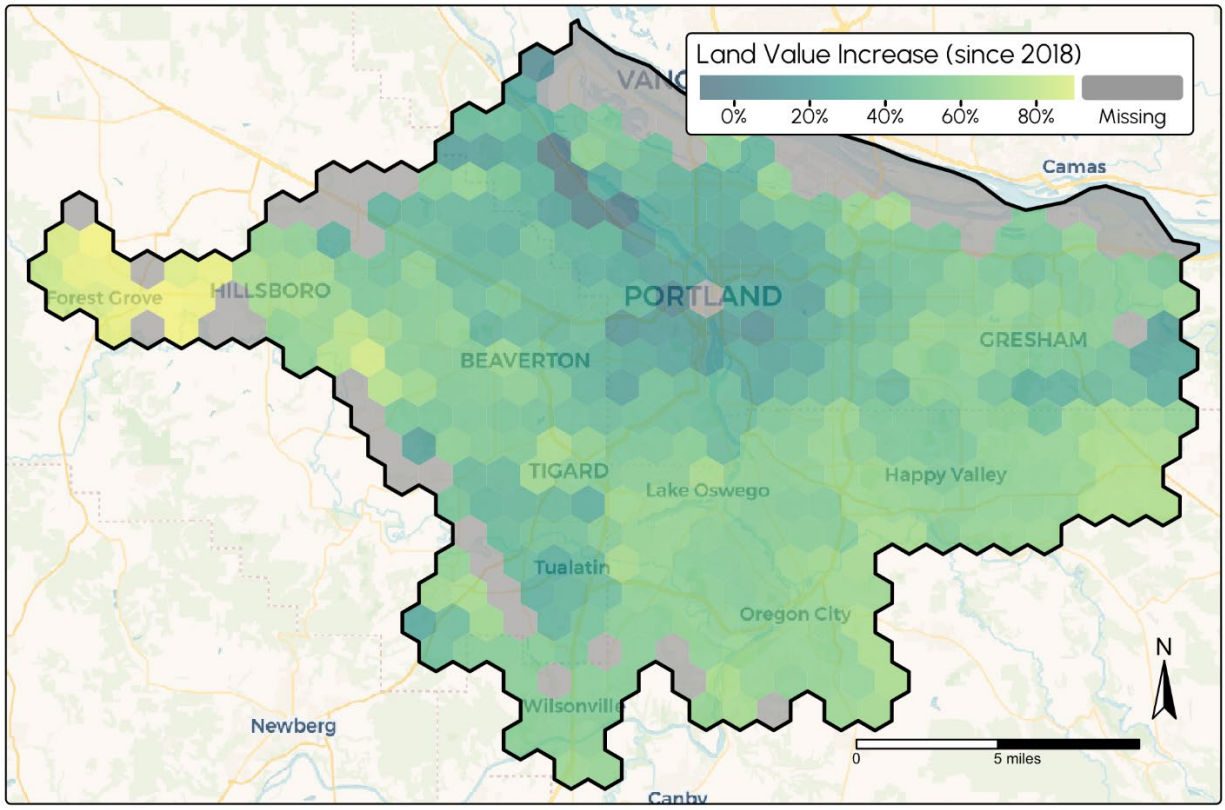
Source: Board of Governors of the Federal Reserve System (US), Federal Funds Effective Rate [DFF], retrieved from FRED

[3] The federal funds rate is the benchmark interest rate that banks charge each other for overnight lending. Changes in this rate influence borrowing costs across the entire economy, including mortgage rates and development financing.

- **Rising land values:** Rising land costs also contribute to challenges with project feasibility across the region. Analyzing land value through individual sales transactions is difficult because of the limited number of transactions and widely varying site characteristics. A more readily available proxy is the change in land value for single-unit residential parcels based on tax assessor data, which can provide one indicator of the magnitude of change in land values over time.

  Exhibit 17 shows changes in land values between 2018 and 2023 for single-unit parcels in the Metro UGB. Land values generally increased over this period based on this indicator, though the degree of the change was more pronounced in outlying parts of the region.

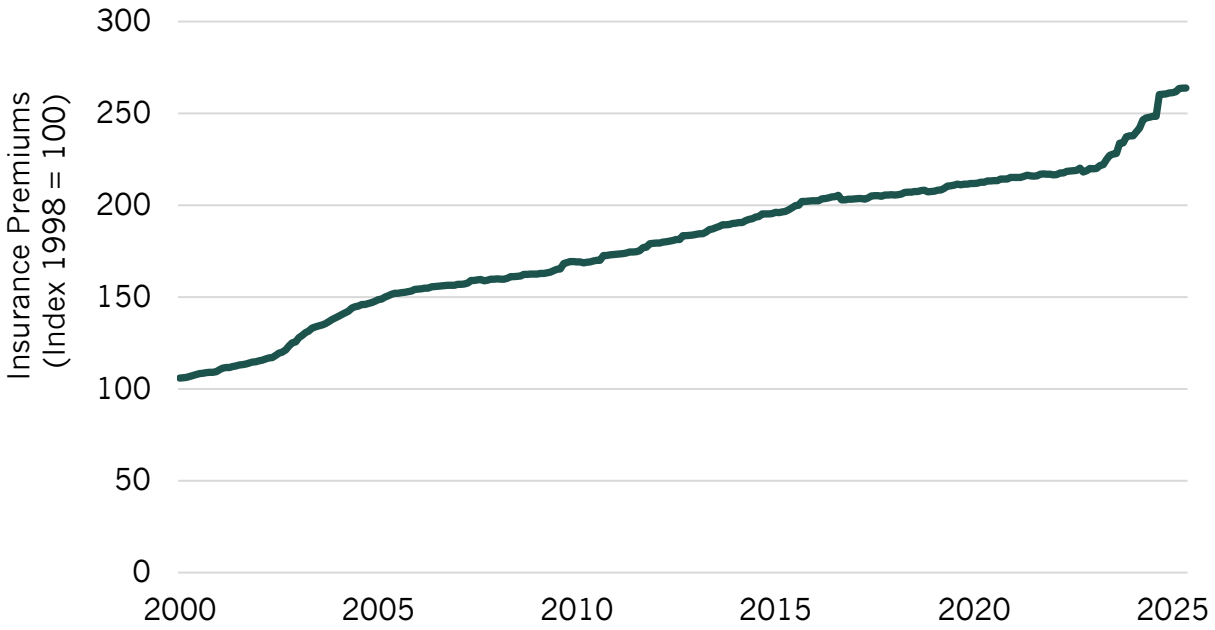
Exhibit 14: Increase in Land Value, 2018-2023



Source: ECOnorthwest, Metro RLIS.

- **Rising insurance costs:** Nationwide, property insurance costs are rising as companies price in climate change risks. This increases operating costs for rental housing and monthly payments for homebuyers, exacerbating affordability challenges. Rising operating costs also increase perceived risk for lenders, which may result in higher borrowing costs or tighter lending standards and further constrain feasibility.

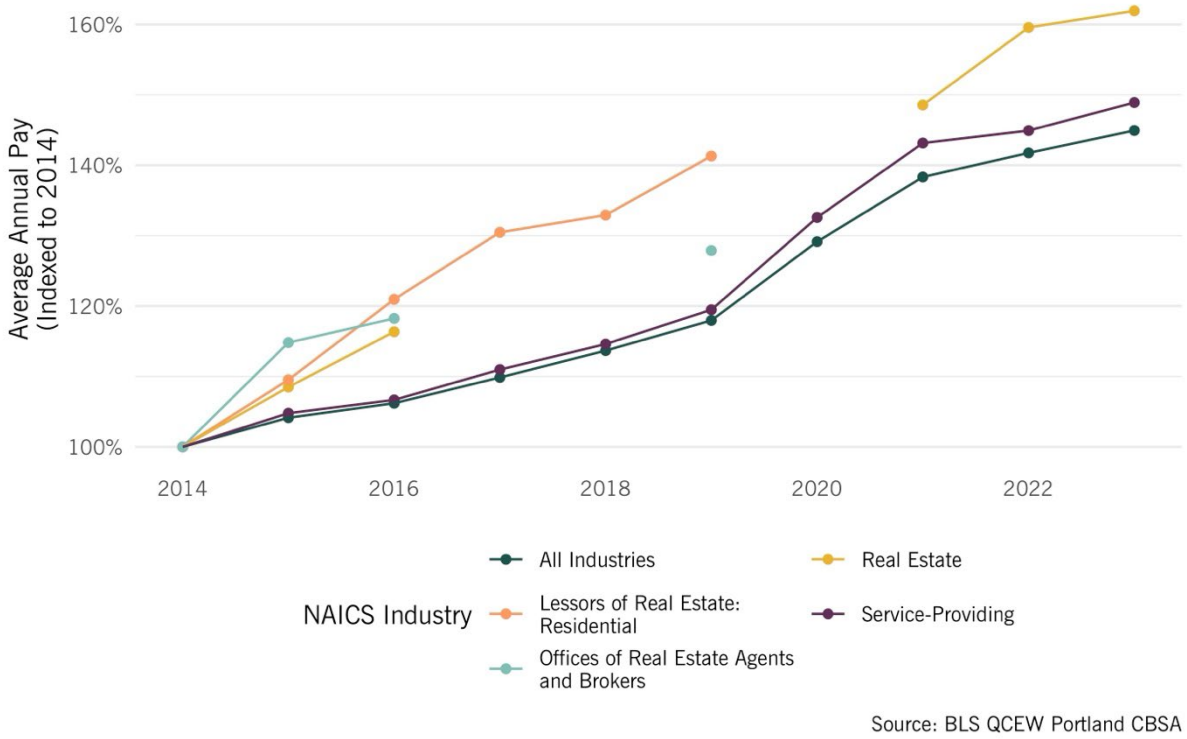
Exhibit 15: Premiums for Homeowner's Insurance



Data Source: U.S. Bureau of Labor Statistics via FRED, 2000-2025.

- **Rising labor costs for property management:** Labor costs for property management have also been on the rise in recent years. An analysis of average wages in the Portland metro area by industry show that wages have increased faster in the real estate management industry compared to wages across all industries as well as service-providing industries (Exhibit 18). This increases operating costs for market-rate rentals and may further challenge feasibility.

Exhibit 16: Increase in Average Annual Wages by Industry, Indexed to 2014



Source: ECOnorthwest. U. S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages 2014-2023.
Notes: Lessors of Real Estate (Residential) and Offices of Real Estate Agents and Brokers are subindustries within Real Estate, Rental and Leasing (NAICS 53). BLS withholds the publication of employment and wage data for any industry level when necessary to protect the identity of employers.

- **Familiarity and risk perception for alternative housing types**. Some developers and lenders who primarily build or finance traditional single-unit homes remain hesitant to pursue less common formats such as cottage clusters or plexes. Interviews suggest that some developers (e.g., production homebuilders) and lenders remain wary of perceived market risks for housing types where there are fewer built examples to gauge buyer interest.
- **Return-on-investment issues for small-scale projects:** Small scale projects can be less cost-effective for developers because fixed costs cannot be spread across as many units. Developer interviews indicate that soft costs including permitting costs and developer overhead are harder to absorb on small projects, which can discourage the incremental density that Metro and local jurisdictions are trying to support.
- **Construction defect liability risk for condos:** Developers cite on-going concerns about construction defect litigation for condominium projects. To offset risk, developers may need to secure costly insurance coverage; many who previously experienced this litigation now avoid condo projects entirely.[4] Some middle housing developers have found ways to mitigate risk for small condo projects, such as self-insuring, negotiating more affordable insurance coverage, or holding units until the liability period expires, but the liability risk continues to limit development of larger-scale condominium projects.

NONPROFIT AND AFFORDABLE SECTOR

While many of the market barriers discussed earlier (such as rising construction costs, high land prices, and increasing operational costs) also affect affordable housing, this sector faces several additional challenges that are distinct to affordable projects that rely on public financial support. The following barriers reflect specific issues that affordable housing developers and service providers highlighted during the RHCS engagement process, as well as themes documented in prior Metro and local housing work.

[4] ECOnorthwest, December 2018, "Impact of Construction Defect Liability on Condominium Production in Oregon." https://olis.oregonlegislature.gov/liz/2019R1/Downloads/CommitteeMeetingDocument/196427

- **Limited availability and predictability of public subsidy:** Low-Income Housing Tax Credits (LIHTC) remain the primary funding source for affordable housing: in 2023, 92 percent of the 54 rental projects supported by the Metro Affordable Housing Bond also used LIHTC. Most relied on 4 percent LIHTC, marking a shift from historic reliance on the more competitive 9 percent LIHTC.[5]

  As noted in Metro's 2024 Affordable Housing Bond Annual Report, 4 percent LIHTCs are not subject to an annual cap but depend on the availability of private activity bonds (PABs), which are federally allocated to states. Historically, Oregon had surplus PABs; however, in 2021, Oregon Housing and Community Services paused 4 percent LIHTC applications due to oversubscription. Combined with rising construction costs, this strained the bond program and statewide affordable housing pipeline. Metro is now working with partners and OHCS to prioritize PAB access for projects with local funding and deeply affordable units.

  Looking ahead, Metro's affordable housing bond funds are nearly fully expended. Without a renewal, the use of 4 percent LIHTCs is expected to decline, as these projects often depend on local gap funding to be financially viable. In that scenario, developments are more likely to serve households at or near 60 percent of AMI and deliver smaller unit sizes, rather than the deeply affordable, family-sized homes supported through bond resources. While the state's Local Innovation and Fast Track (LIFT) program will continue to play a role in supporting affordable housing production, it typically provides lower levels of funding than what has been achievable with local bond investments.

LOW-INCOME HOUSING TAX CREDIT (LIHTC) OVERVIEW

The LIHTC is a federal program that incentivizes private investment in affordable rental housing. It offers investors a dollar-for-dollar reduction in federal tax liability in exchange for financing the construction or rehabilitation of income-restricted housing. This equity allows units to be rented at below-market rates.

Investors typically receive tax credits over a 10-year period. In return, properties must remain rent-restricted and serve low-income households for at least 30 years.

LIHTC projects receive one of two types of credits:

- **9 Percent LIHTC:** Covers up to 70 percent of development costs for new construction without other federal subsidies. Highly competitive.
- **4 Percent LIHTC:** Covers up to 30 percent of development costs, typically used with tax-exempt bonds or other subsidies. Less competitive but offers a smaller subsidy.

[5] Metro Affordable Housing Bond 2024 Annual Report.

- **Rising costs driving larger per-unit subsidy needs, straining available funding:** Cost escalation factors discussed in the previous section are also placing additional strain on affordable housing development. The weighted average cost per unit in the Metro region on Metro bond-funded projects rose from $355,432 in 2020 to $460,949 in 2024—a 5.3 percent annual increase—with more recent projects trending toward $555,871 per unit.[6] These rising costs are increasing the per-unit subsidy required to close funding gaps. Metro bond subsidy amounts have risen from an average of $98,236 per unit in 2020 to $109,777 in 2024, with more recent projects averaging $154,630 per unit (excluding outliers), placing additional pressure on limited public funding sources.[7] Many state funding sources also include per-unit subsidy limits that can become challenging when development costs escalate.
- **Complex funding layers increase time and risk:** Affordable housing projects typically require multiple funding sources to pencil out, including federal LIHTC, state gap financing, and local contributions. Often, each funding source carries its own application timeline, compliance requirements, and reporting obligations. Navigating this complexity adds significant soft costs, extends project timelines, and increases the risk of financing gaps.
- **Permanent Supportive Housing (PSH) development faces layered operational and financing challenges:** In recent years, lenders have become more hesitant to underwrite PSH projects due to the operational challenges of existing projects and a lack of adequate funding for the additional services, operational costs, and perceived risks associated with these projects. These challenges are particularly acute for smaller and culturally specific providers, who may lack access to institutional capital or sustained service funding. As a result, future PSH development may require higher levels of public capital, with reduced reliance on private debt. In addition, many developers remain cautious about pursuing PSH given these challenges. Expanding access to operating and risk mitigation funds and establishing clear, tiered service funding standards will be essential to building developer confidence and incentivizing developers and providers to continue developing and operating PSH.
- **Lack of dedicated preservation funding risks loss of existing affordable housing stock:** Many regulated affordable housing properties face expiring income restrictions and deferred maintenance needs. However, few public funding sources are available to support preservation strategies such as acquisition, recapitalization, and rehabilitation. Without targeted investment in preserving existing units, the region risks a loss in affordable housing, undermining progress toward production goals and displacing current residents.
- **Limited coordination between housing and health/social services:** Housing and health/social service systems remain siloed despite clear overlap in resident needs.

[6] Metro Affordable Housing Bond 2024 Annual Report.
[7] Metro Affordable Housing Bond 2024 Annual Report.

Many affordable housing developments are designed to serve residents who would benefit from supportive services, including households exiting homelessness and those with addiction and mental health challenges. However, funding for these services is often disconnected from housing development financing, creating uncertainty about service availability when projects open.

Stakeholder engagement for the RHCS consistently raised concerns about this disconnect. Focus group participants emphasized that without dedicated, long-term service funding, housing stability is undermined even in well-designed projects. Resident services must be treated as a core component of affordability, not an add-on or an "unfunded mandate."

Several structural challenges exacerbate the issue. Affordable housing financing typically occurs years before project completion, making it difficult to align service funding with project delivery. Lease-up processes can further delay occupancy, as tenant referral and screening must prioritize affordable housing waitlists. In addition, rent delinquency can destabilize projects targeting higher-needs populations if supportive services are not fully funded and integrated from the outset.

Non-Market and Structural Barriers

In addition to market feasibility challenges, housing production across the Metro region is constrained by a range of non-market and structural barriers. These include zoning and entitlement restrictions, site-level and infrastructure challenges, and broader regulatory and governance dynamics. These barriers can interact with market forces: a modest rise in construction costs might not derail a project in a context of fast entitlements and supportive zoning, but with slow permitting, fragmented governance, and complex standards, even otherwise feasible projects may stall.

Barriers also vary geographically. High-opportunity neighborhoods often maintain the most restrictive zoning and entitlement processes, while infrastructure barriers dominate in expansion areas. Addressing these patterns will require targeted and place-specific solutions.

ZONING AND DESIGN STANDARDS

Restrictive zoning and complex development standards continue to limit the types of housing the region most needs in some areas:

- **Restrictive zoning:** While state reforms over the past several years (such as HB 2001 [2019]) have required jurisdictions to remove regulatory barriers to middle housing and affordable multi-unit development, potentially problematic standards remain in some areas. Standards for multi-unit housing including parking minimums, maximum densities, setbacks, and landscaping and open space requirements can

prevent compact and cost-effective multi-unit housing development in medium- and higher-density residential zones. While multi-unit development is often allowed in commercial zones, there may be a ground floor commercial requirement that increases development costs and may not be matched by viable commercial rents. This barrier was highlighted by developers and advocates in Metro's RHCS engagement process and in local HPS documents.

- **Too many zoning districts**: In some jurisdictions, an excessive number of zoning districts and overlay zones creates additional complexity. Portland's zoning code, for example, includes dozens of base and overlay zones with varying use, height, and design standards. Developers also cited this as a barrier during Gresham's HPS engagement, and it is a known challenge in many jurisdictions across the region. Navigating these layers adds time and cost to development. While some jurisdictions have begun code consolidation efforts, the complexity of zoning structures remains a common concern.
- **Zoning and market mismatch:** In some areas, zoning allowances do not align with what the private market can feasibly deliver. This mismatch typically occurs in two ways:
  - *Under-zoning in high-demand areas*. For example, close-in neighborhoods zoned for lower density development (primarily single-unit homes and some middle housing), despite strong market demand for more housing types.
  - *Over-zoning in lower-demand areas.* Some suburban centers and corridors are zoned for multi-story, mixed-use development, but market rents are insufficient to support the higher construction costs for these types and scales of development. Zoning in these areas may mandate building features such as ground-floor retail or structured parking that add cost and risk and may render development infeasible, particularly for affordable housing projects.

    In some cases, limited amenities and older, auto-oriented patterns further reduce market demand. Where cities have updated zoning codes (such as Beaverton's parking reform and VHDZ incentives in Gresham and Hillsboro) and invested in civic infrastructure and public realm improvements (for example, TIF-funded streetscapes), housing delivery has improved.
- **Seismic upgrades requirements:** Redeveloping older buildings in Portland can trigger costly seismic retrofits under city code, which often makes adaptive reuse financially infeasible. Developers have cited this as a reason for demolition over preservation. These requirements are a known barrier for affordable housing rehabilitation and have limited opportunities to repurpose older buildings that could serve lower-income renters.

PROCESS AND PROCEDURES

Even where zoning allows needed housing types, process-related barriers delay or discourage production:

- **Permit processing delays and lack of predictability:** Some jurisdictions, especially smaller cities, lack sufficient staff to process permits and inspections quickly. Delays can jeopardize tax credits and other time-sensitive funding. Inconsistent coordination within jurisdictions, such as conflicting feedback across departments or unclear timelines, further compounds the challenge. Smaller jurisdictions may also need to coordinate with counties or special districts, which adds complexity and can slow approvals. Stakeholders, including the Home Builders Association (HBA), emphasized that even in places with adopted long-range plans, permitting processes can remain unpredictable and difficult to plan around.
- **Appeals and public opposition.** Despite state requirements to allow housing through clear and objective standards, development often requires some adjustments that can trigger more discretionary review processes. In those situations, public opposition can pose a significant barrier, particularly in high-opportunity neighborhoods where affordable housing is most needed. Public appeals can add months to project timelines and deter future proposals in contested areas.

FEES AND SDCS

Fees, including System Development Charges (SDCs) and permit fees, can be an important contributor to project costs. According to the Oregon System Development Charges Study (2022):

- The average total SDC charges in Oregon are roughly $15,000 per unit and can be as high as $50,000. Many jurisdictions in the Metro region have SDCs towards the higher end of this range.[8] These charges can be the equivalent of 3 percent to 6 percent of total development cost.
- SDCs affect some housing more than others—smaller entry-level homes, lower-cost middle housing and apartments, and communities with weaker markets are disproportionately affected by SDCs because the SDCs represent a proportionally larger share of these homes' prices. High-end, single unit detached housing is generally impacted least.
- SDC exemptions for affordable housing exist in some cities but are not universal.

[8] According to the System Development Charges Survey Report (April 2023) from the League of Oregon Cities, Metro region had an average SDC cost of about $27,000 per unit.

SITE-LEVEL BARRIERS

Site-specific barriers can also discourage housing production, for both infill and greenfield development:

- **Fragmented land ownership and absentee landowners:** Fragmented land ownership can be a barrier to housing production. Many older neighborhoods have parcel patterns that make site assembly for larger multi-unit or mixed-use projects challenging and time-consuming. Developers must either consolidate multiple lots which increases cost and risk, or accept smaller, less efficient projects. The problem is compounded when absentee owners hold vacant or underutilized land without intent to develop. Metro and local governments have recognized this challenge; land banking and public site assembly are critical tools to help create viable development opportunities.
- **Infrastructure constraints in greenfields:** Infrastructure gaps are often the primary constraint on housing delivery in Metro's expansion areas. Roads, sewers, water, and parks require massive upfront investment, and without them, housing cannot be built. Much of the new infrastructure to serve greenfield development is funded by developers, either directly (through exactions) or indirectly (through SDCs or similar fees), which can increase development costs. Some larger projects that serve many properties in a broader area must be built by the public service provider, which can create delays when there is insufficient funding or competing priorities.
- **Greenfield challenges:** In addition to high upfront infrastructure costs noted above, housing delivery in greenfield areas can face additional structural barriers, such as:
  - Governance hurdles (e.g., annexation, inter-jurisdictional coordination), particularly in older UGB expansion areas such as Pleasant Valley and North Cooper Mountain.
  - In early phases, new communities often lack amenities (with homes often arriving before retail, transit, or schools) which can reduce livability and make it harder to deliver higher-density housing until the amenities are available.
  - North Bethany and Happy Valley demonstrates how strong public investment and coordinated planning can accelerate delivery, while areas without such planning remain stalled.
- **Infill challenges:** The costs of demolition, site acquisition, environmental cleanup, and/or required infrastructure upgrades make many infill projects that are allowed by zoning financially infeasible. As a result, only a small fraction of the sites zoned to allow infill development will see additional housing production over any given span of time.

- **Brownfield sites:** Brownfields can offer potential for reuse with housing but face significant barriers:
  - Environmental remediation costs are highly variable and create financial uncertainty.
  - Liability risks deter investment.
  - Financing is challenging, with lenders requiring extensive due diligence.
  - Public subsidies for remediation are limited and inconsistent.

GOVERNANCE AND CAPACITY BARRIERS

Regional housing delivery is further constrained by governance and capacity limitations:

- **Fragmented governance and inconsistent policies**. The region's complex governance structure, spanning 3 counties, 24 cities, and multiple special districts, creates inconsistent housing policies and fragmented implementation. Housing needs are regional, but solutions remain largely local and often uncoordinated. The Oregon Housing Needs Analysis (OHNA) work, Metro's RHCS, and cities and counties HPS work represent important steps toward regional alignment, but sustained coordination remains critical to meeting housing targets.
- **Limited public sector capacity**. Some jurisdictions in the Metro region lack the staffing and technical capacity to implement complex housing reforms or manage affordable housing programs. Capacity constraints are particularly acute in smaller jurisdictions which may not have housing specialists on staff.

Equity and Housing Choice Barriers

Persistent equity and housing choice barriers disproportionately impact lower-income residents, communities of color, immigrants and refugees, people with disabilities, and other underserved groups:

- **Displacement from emerging high opportunity areas**: Past and ongoing development patterns in the Metro region have displaced many low-income residents from areas that have become high-opportunity neighborhoods, disproportionately impacting communities of color. Portland's Albina neighborhood illustrates this dynamic, with past policies causing deep generational harm. Recent initiatives aim to mitigate these impacts, but progress will require stronger tenant protections, preservation of affordable housing, and production of deeply affordable units alongside market-rate growth.
- **Lack of subsidized or lower-cost housing in high opportunity areas**: As the prior analysis shows, the Portland Metro includes wealthy, high opportunity enclaves with little lower-cost housing. Recent housing development trends reinforce this

economic exclusivity. There is little financial incentive for private developers to build low-cost housing in higher-income communities when higher-cost housing results in greater profits and less neighborhood opposition. Government intervention may be the primary route to create opportunities for housing serving a range of incomes to co-exist in high opportunity areas.

- **Some affordable housing is located in lower-amenity neighborhoods**: High land costs, limited land availability, and community opposition in high-opportunity areas have historically pushed more affordable housing development to lower-cost parts of the region. The result is that many regulated affordable homes are sited in neighborhoods with fewer amenities and higher concentrations of poverty. This spatial mismatch limits residents' access to opportunity and daily needs.

  The Metro Affordable Housing Bond has helped counteract this trend by setting goals for geographic distribution and access to amenities, and by supporting projects in a diversity of locations across the region. According to the 2024 Bond Annual Report, 35 percent of bond-funded units are located in areas that have historically lacked affordable housing, 56 percent are located in areas where communities at risk of displacement live today, and 44 percent are located in areas historically inaccessible to communities of color. This approach expands housing choice, connects residents to jobs and services, and helps prevent displacement in rapidly changing neighborhoods.

- **Limited accessible housing and barriers to aging in place:** Nationally, fewer than 4 percent of homes offer basic accessibility features, and only 0.15 percent are fully wheelchair accessible. About one-third of units are potentially modifiable but would require renovations.[9] In Oregon, there is no comprehensive inventory of accessible (Type A) or adaptable (Type B) units. ECOnorthwest analyzed available data on recent multi-unit developments in the State and estimated that up to 50 percent of newly built units may meet Type B standards and about 2 percent may meet Type A standards. These estimates vary by region and exclude senior-focused or federally funded affordable housing, which are more likely to include accessible features.[10]

  While building codes require some accessible units, these are typically found in newer, elevator-served apartments—housing that is often unaffordable for low-income households and less attractive to older adults. Many seniors prefer to age in

[9] Joint Center for Housing Studies of Harvard University. "Housing America's Older Adults 2019." Harvard University, 2019. https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_housing_stock_accessibility_scheckler_2022_0.pdf#:~:text=data%2C%20Bo%E2%80%99sher%20et%20al,livable%20by%20people%20with%20moderate

[10] ECOnorthwest. *OHNA Rulemaking – Potential Compliance Pathways*. Prepared for the Oregon Department of Land Conservation and Development. July 2025.

place in single-family homes or move to detached or senior-oriented housing.[11] Market-rate apartments, which tend to serve younger residents, are less likely to meet the needs of older adults or people with disabilities who are over-represented in low-income households.

- **Shortage of large family rentals:** Larger affordable rental homes for families, including multigenerational and extended families, are similarly scarce. Public engagement has highlighted that Hispanic and other households of color are more likely to live in multigenerational arrangements, yet the housing market offers very few large-family rentals to accommodate them. In response to this gap, the Metro Affordable Housing Bond prioritized family-sized units. As of 2024, about half of all bond-funded homes have two or more bedrooms.
- **Complex application requirements and fees**: Complex housing application processes continue to exclude many households from securing housing. Standard rental screening criteria (e.g., high income-to-rent ratios, strict credit score minimums, criminal background checks, and extensive documentation) can disproportionately disqualify low-income families, immigrants, and people recovering from past instabilities. Language, literacy, and mobility barriers further impede those with limited English proficiency or disabilities when navigating lengthy applications or travelling to different sites. Focus groups in past engagement emphasized the need for low-barrier application approaches and navigation support to ensure equitable access to housing.

  The *Tri-County Planning Body Coordinated Entry Regional Implementation Plan* outlines efforts to improve coordinated entry systems in Clackamas, Multnomah, and Washington counties. These efforts focus on reducing access barriers by standardizing processes and improving connectivity between the three county systems, with the goal of ensuring more equitable access to housing and services for people experiencing homelessness.
- **Inadequate funding for population-specific resident support services:** Veterans, domestic violence survivors, individuals exiting homelessness, youth aging out of foster care, older adults, and other priority populations face distinct housing challenges that require tailored housing models and services. Survivors of domestic violence need trauma-informed housing paired with legal and advocacy support. Individuals with behavioral health or addiction needs may require housing linked to recovery and treatment services. Youth exiting foster care often benefit from supportive housing that includes life skills training and employment services. Veterans may need permanent supportive housing with access to healthcare and

[11] Maggie Ratnayake, et. al., "Aging in Place:: Are We Prepared?," Delaware Journal of Public Health 8, no. 3 (2022): 28-31, https://pmc.ncbi.nlm.nih.gov/articles/PMC9495472/.

Binette, Joanne, and Fanni Farago. 2024 Home & Community Preferences Among Adults 18 and Older. Washington, DC: AARP Research, December 2024. https://doi.org/10.26419/res.00831.001

peer networks. Older adults who require help with housekeeping, mobility, and daily activities often struggle to find affordable housing that provides the supportive services needed to age in place safely and with dignity.

Across these groups, existing programs are fragmented, underfunded, and insufficient to meet demand. Sustainable funding for population-specific resident services (such as case management, community-building, and health navigation) remains a major gap consistently highlighted in stakeholder outreach.

- **Gaps in Fair Housing enforcement, renter protections, and tenant/landlord education:** Stakeholders identified inconsistent enforcement of fair housing laws, limited renter protections, and lack of education about housing rights as barriers to housing stability and access. While federal, state, and local laws prohibit housing discrimination, awareness and enforcement of these protections vary across jurisdictions and populations. Discriminatory practices, though often subtle, continue to restrict access to rental housing. The Fair Housing Council of Oregon reports receiving approximately 1,000 complaints annually from tenants in the Portland Metro region. Statewide, the largest shares of bona fide complaints were based on disability, source of income, race, and sex. [12] While discrimination persists locally and nationally, funding to support fair housing education, enforcement, and advocacy is being cut at the federal level.
- **Limited navigation and culturally specific provider networks:** People of Color, immigrant, and refugee communities often require housing services delivered through trusted, culturally specific organizations due to a legacy of discrimination and mistrust of mainstream systems. Stakeholders report that culturally specific services remain limited and uneven across the region's housing programs. Some residents struggle to navigate housing systems without adequate language access, culturally competent outreach, or trusted intermediaries. Addressing this gap will require expanding partnerships with culturally specific nonprofits, increasing language-accessible navigation support, and funding targeted outreach efforts. It will also require developing culturally responsive housing options that better meet the needs of underserved communities.
- **Lack of stabilization tools for moderate-income households**: Moderate-income households (80–120 percent of AMI) face growing instability but are largely unsupported by current housing programs. Few public tools target this segment, which risks being priced out of the region. Workforce housing incentives and expanded stabilization supports are needed to retain a diverse middle class and prevent further economic displacement. Few public resources are available to assist moderate income older adults needing increasing help with housekeeping and their activities of daily living.

[12] Fair Housing Council of Oregon, *State of Fair Housing Report 2022* (Portland, OR: FHCO, 2022), https://fhco.org/wp-content/uploads/2024/08/FHCO-state-of-fair-housing-report-2022.pdf.

- **Challenges with siting group homes and residential facilities**: Statewide, residential facilities and some group homes face challenges finding suitable sites due to a number of factors, including issues with local codes and neighborhood opposition, While Oregon law requires cities to permit licensed residential homes in areas where single-unit housing is permitted, some informal small group living arrangements that do not meet the definition of a residential home, like Oxford homes for sober living, may face obstacles. Oregon law allows but does not require cities to permit residential facilities (6 or more residents) in areas where multi-unit housing is permitted.

Conclusion

This analysis of housing conditions and market, non-market, and structural barriers provides a preliminary foundation to inform Metro's Regional Housing Coordination Strategy (RHCS). It highlights persistent challenges across funding, infrastructure, governance, equity, and geographic contexts that shape housing outcomes across the region. These insights will be further refined and expanded as Metro integrates findings from additional RHCS components, including deeper community engagement and policy and program reviews. A clear understanding of these barriers will be essential to crafting targeted, actionable strategies that advance Metro's housing goals.

Appendix 4: Evaluation of RHCS actions

Metro, in collaboration with its consultant team and through an engagement process, developed an approach for evaluating potential actions for inclusion in the RHCS. This evaluation framework assisted Metro in identifying actions that fit best with Metro's roles and responsibilities, match available or possible resources, aid local jurisdictions, and promote housing production and affirmatively further fair housing (AFFH). The evaluation framework provides a means of scoring potential actions and ensuring attention to a variety of topics, including fair housing issue areas identified in Oregon Administrative Rules.[1]

A weighted scoring system, summarized in Figure 1, places a high value (50 percent) on outcomes and was used to assess a refined list of actions. According to previous analysis in the 2024 UGR, the greatest needs are for affordable housing and middle-income housing. The two categories used in the evaluation process (housing production and AFFH) address affordability and middle-income housing.

The remaining 50 percent of scoring is focused on legal and political viability, technical and financial feasibility, and whether the action is appropriate for Metro to undertake as the regional government.

Figure 1: Weighted scoring approach for RHCS action evaluation

C. Operational considerations and impact	
15%	C.1 Legal and political viability is high
15%	C.2 Implementation is straightforward or manageable within existing resources (staff and funding)
5%	C.3 Feasible to implement within the 6-year timeframe
15%	C.4 Metro is in the best position to conduct this activity; few organizations are currently working in this space
50%	C.5 Improves regional outcomes around housing production, accessibility, affordability, and AFFH

Having scored each potential action, Metro and its consultant team then reviewed the list of higher-scoring actions to ensure that a variety of housing production, preservation, and fair housing interests were addressed. Several actions that otherwise had scored lower were highlighted because they addressed the topics depicted in Figure 2 and were not unreasonable to implement.

[1] These Fair Housing issue areas apply to city and county Housing Production Strategies. Though they do not, as a matter of law, apply to Metro's RHCS, they were referenced in the RHCS action evaluation process as a useful means of addressing the topic of fair housing.

Figure 2: Topic categories used in the process of evaluating potential RHCS actions

A. Impact on housing production			
Assists cities with housing work	Increases housing production	Preserves and maintains housing that is affordable	Supports development of a mix of housing types (e.g. multifamily, ADUs, middle housing)

B. Impact on Affirmatively Furthering Fair Housing			
Supports accessible and adaptable housing	Supports access to affordable rental housing	Supports access to affordable homeownership	Supports access to community assets and mitigation of exposure to harms
Addresses issues associated with historically underserved or marginalized communities and protected classes	Addresses and disrupts patterns of segregation and their correlation with concentrated areas of affluence and poverty	Supports housing stability, anti-displacement and displacement mitigation	Supports access to permanent housing to resolve homelessness

This evaluation reflects the list of actions as they appeared in the initial public comment draft. In some cases, evaluation related to impacts on housing production and impact on Affirmatively Furthering Fair Housing has evolved through final strategy refinement as details for each action were changed. The current estimated impacts of each proposed action can be found in the detailed action tables in the main document, beginning on page 61.

ID	Action	Description	Average score: operational considerations	Assists cities with housing work	Increases housing production	Preserves and maintains existing housing that is affordable	Supports development of a mix of housing types (e.g., multifamily, ADUs, middle housing)	Supports accessible and adaptable housing	Supports access to affordable rental housing	Supports access to affordable homeowner ship	Supports access to community assets and mitigation of exposure to harms	Addresses issues associated with historically underserved or marginalized communities and protected classes	Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty	Supports housing stability, anti-displacement and displacement mitigation	Supports access to permanent housing to resolve homelessness
			X: Primary focus of the action and within Metro's control					**/: Outside of Metro's direct control**				**?: Depends on action programming**			
1	**Housing pre-development and technical assistance**	Create new housing pre-development and technical assistance funding for site specific housing development	4.05		**X**			**?**	**?**	**?**	**?**	**X**	**?**	**?**	**?**
2	**Expand funding for the brownfield grant program**	Explore opportunities to expand resources available for brownfield cleanup	4.2		**X**		**X**	**/**	**?**	**?**	**?**	**?**	**?**	**?**	**?**
3	**Local HPS implementation funding and support**	Funding and support for local Housing Production Strategy implementation	4.3875	**X**	**?**	**?**	**?**	**/**	**?**	**?**	**?**	**?**	**?**	**?**	**?**
4	**Regionally available pool of housing professionals for technical assistance**	Consider developing a regionally available pool of housing professionals for technical assistance to smaller jurisdictions to support planning and implementation related to housing production, affordability and choice	4.125	**X**	**?**	**?**	**?**	**/**	**X**	**?**	**?**	**/**	**?**	**?**	**?**
5	**Equitable access to regulated affordable housing**	Evaluate lessons learned and effective practices from implementation of the 2018 Affordable Housing Bond; research models and best practices and develop and share recommendations to strengthen fair housing and equitable access to affordable housing.	4.2						**X**	**?**		**X**			
6	**Community co-design**	Building upon lessons learned and best practices from the 2018 bond and TOD grant program, strengthen requirements and incentives for community participation and co-design in the development and operations of affordable housing. Identify opportunities for Metro to support capacity building for community based and culturally specific organizations to participate in affordable housing development and operations.	3.7									**X**			

ID	Action	Description	Average score: operational considerations	Assists cities with housing work	Increases housing production	Preserves and maintains existing housing that is affordable	Supports development of a mix of housing types (e.g., multifamily, ADUs, middle housing)	Supports accessible and adaptable housing	Supports access to affordable rental housing	Supports access to affordable homeowner ship	Supports access to community assets and mitigation of exposure to harms	Addresses issues associated with historically underserved or marginalized communities and protected classes	Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty	Supports housing stability, anti-displacement and displacement mitigation	Supports access to permanent housing to resolve homelessness
7	**Innovative approaches**	Research, evaluate and identify opportunities to advance innovative and non-LIHTC approaches to housing development/construction, financing, and ownership, including: - Modular and manufactured housing and cross-laminated timber and smaller or expandable designs - Social housing and alternative homeownership models, including CLT and resident-owned multi-family housing models - Innovative financing approaches to support development of smaller scale (<20 unit) building types, including PSH Assess barriers and opportunities and identify opportunities to pilot or scale up innovative approaches; approach would include market analysis, best practice research and engagement with public, private, and philanthropic partners to support coordinated research, development and investment strategies.	3.4		**X**		**X**		**X**	**X**					
8	**Middle housing assessment**	Conduct an assessment of middle housing in the region to identify best practices and common barriers.	3.475	**X**	**X**	**/**	**X**	**/**	**?**	**?**	**?**	**/**	**?**	**/**	**?**
9	**Affordable housing operational stabilization strategy**	Develop an affordable housing stabilization strategy to respond to industry-wide challenges due to rising operational costs, increased resident needs, and lack of coordination/alignment with homeless and supportive services.	3.675			**X**			**X**					**X**	**X**

ID	Action	Description	Average score: operational considerations	Assists cities with housing work	Increases housing production	Preserves and maintains existing housing that is affordable	Supports development of a mix of housing types (e.g., multifamily, ADUs, middle housing)	Supports accessible and adaptable housing	Supports access to affordable rental housing	Supports access to affordable homeowner ship	Supports access to community assets and mitigation of exposure to harms	Addresses issues associated with historically underserved or marginalized communities and protected classes	Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty	Supports housing stability, anti-displacement and displacement mitigation	Supports access to permanent housing to resolve homelessness
10	**Improvements to Metro SHS funded Regional Long-term Rental Assistance (RLRA) policies and implementation**	Evaluate and improve Metro SHS funded Regional Long Term Rent Assistance (RLRA) policies and implementation to address portability and to connect available vouchers with vacant regulated affordable housing units.	4.275			**X**			**X**		**X**		/	**X**	**X**
11	**Regional affordable housing listing service**	Develop a centralized regional affordable housing listing service to support housing navigators and seekers in connecting with information about available units that meet their needs, with an initial focus on building out a portal to assist housing navigators working with households in the homeless services system.	3.85					**X**	**X**	**?**	**X**	/	**X**	/	**X**
12	**Regional land bank plan**	Develop a proposed plan for a regional land bank that outlines the necessary legal framework, governance structures, and operational guidelines. Define clear policy priorities, including considerations related to Affirmatively Furthering Fair Housing, market conditions and funding opportunities.	3.675	**X**	**X**	/	**X**	/	**X**	**X**	**?**	**?**	**X**	**?**	**?**
13	**Permitting and production dashboard**	Explore how to create a permitting and production dashboard to track production trends across the region.	2.5	**X**	**?**	/	**X**	**?**	**?**	**?**	**?**	**?**	/	**?**	
14	**Urban Growth Management Functional Plan housing audit**	Begin a Metro Urban Growth Management Functional Plan audit and cleanup of housing-related titles to align with new State requirements and regional priorities as identified in the 2027 Future Vision.	3.6	**X**	**?**	**?**	**X**	/	**?**	**?**	/	/	**?**	/	/

ID	Action	Description	Average score: operational considerations	Assists cities with housing work	Increases housing production	Preserves and maintains existing housing that is affordable	Supports development of a mix of housing types (e.g., multifamily, ADUs, middle housing)	Supports accessible and adaptable housing	Supports access to affordable rental housing	Supports access to affordable homeowner ship	Supports access to community assets and mitigation of exposure to harms	Addresses issues associated with historically underserved or marginalized communities and protected classes	Addresses and disrupts patterns of segregation, and their correlation with concentrated areas of affluence and poverty	Supports housing stability, anti-displacement and displacement mitigation	Supports access to permanent housing to resolve homelessness
15	**Coordinated legislative agenda**	Convene jurisdictional partners to develop a coordinated legislative agenda for state and federal housing/homelessness resources, including a regional priority to identify funding for infrastructure. The agenda would be updated as needed to meet changing regional needs (or every six years) and guided by appropriate Metro advisory committees for land use, housing and homelessness. Convene with Tribes that are interested in housing development to support urban Native populations to learn about their tribal priorities that can be addressed through Metro's work.	3.675	**X**	**?**	**?**	**X**	**?**	**?**	**?**	**?**	**?**	**?**	**?**	**?**
16	**Affordable housing funding feasibility**	Consider the viability and feasibility of new funding for affordable housing development and preservation. Ensure that any new funding framework is informed by public opinion research and engagement with public, private and nonprofit leaders as well as analysis of housing needs and market conditions, and lessons learned from the 2018 regional housing bond and best practices from other regions;, including evaluating opportunities to strengthen racial equity, fair housing and community resilience outcomes and alignment/integration with homeless and supportive housing services.	4.325	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**

ID	Action	Description	Schedule for adoption	Schedule for implementation	Magnitude of impact on development of needed housing	Magnitude of impact on housing affordability or choice	Time frame over which it is expected to impact needed housing	Department(s)	Budget or staffing impact
1	Housing pre-development and technical assistance	Create new housing pre-development and technical assistance funding for site specific housing development	Not applicable	2026	Low	Low	3-5 years	PD&R, Housing	FTE may be needed
2	Expand funding for the brownfield grant program	Explore opportunities to expand resources available for brownfield cleanup	Not applicable	2026	Medium	Medium	2-5 years after funding is received	PD&R	FTE may be needed
3	Local HPS implementation funding and support	Funding and support for local Housing Production Strategy implementation	Not applicable	2026	Medium	Low	5-10 years	PD&R	FTE may be needed
4	Regionally available pool of housing professionals for technical assistance	Consider developing a regionally available pool of housing professionals for technical assistance to smaller jurisdictions to support planning and implementation related to housing production, affordability and choice	Not applicable	2026	Medium	Low	3-5 years	PD&R, Housing	FTE may be needed
5	Equitable access to regulated affordable housing	Evaluate lessons learned and effective practices from implementation of the 2018 Affordable Housing Bond; research models and best practices and develop and share recommendations to strengthen fair housing and equitable access to affordable housing.	TBD	2026	Low	Medium	TBD	Housing	M&S funding
6	Community co-design	Building upon lessons learned and best practices from the 2018 bond and TOD grant program, strengthen requirements and incentives for community participation and co-design in the development and operations of affordable housing. Identify opportunities for Metro to support capacity building for community based and culturally specific organizations to participate in affordable housing development and operations.	TBD	2026	Low to None	Medium	TBD	Housing, PD&R	M&S funding

ID	Action	Description	Schedule for adoption	Schedule for implementation	Magnitude of impact on development of needed housing	Magnitude of impact on housing affordability or choice	Time frame over which it is expected to impact needed housing	Department(s)	Budget or staffing impact
7	Innovative approaches	Research, evaluate and identify opportunities to advance innovative and non-LIHTC approaches to housing development/construction, financing, and ownership, including: - Modular and manufactured housing and cross-laminated timber and smaller or expandable designs - Social housing and alternative homeownership models, including CLT and resident-owned multi-family housing models - Innovative financing approaches to support development of smaller scale (<20 unit) building types, including PSH Assess barriers and opportunities and identify opportunities to pilot or scale up innovative approaches; approach would include market analysis, best practice research and engagement with public, private, and philanthropic partners to support coordinated research, development and investment strategies.	Not applicable	2026	Medium	Medium	TBD	Housing, PD&R	M&S funding
8	Middle housing assessment	Conduct an assessment of middle housing in the region to identify best practices and common barriers.	Not applicable	2026	Low	Low	TBD	Housing, PD&R	M&S funding
9	Affordable housing operational stabilization strategy	Develop an affordable housing stabilization strategy to respond to industry-wide challenges due to rising operational costs, increased resident needs, and lack of coordination/alignment with homeless and supportive services.	Not applicable	2026	Medium	Medium	TBD	Housing	M&S funding
10	Improvements to Metro SHS funded Regional Long-term Rental Assistance (RLRA) policies and implementation	Evaluate and improve Metro SHS funded Regional Long Term Rent Assistance (RLRA) policies and implementation to address portability and to connect available vouchers with vacant regulated affordable housing units.	TBD	2027	Low	Medium	TBD	Housing	Possible M&S
11	Regional affordable housing listing service	Develop a centralized regional affordable housing listing service to support housing navigators and seekers in connecting with information about available units that meet	Not applicable	2026	Low	Medium	1-2 years	Housing	FTE and M&S funding

ID	Action	Description	Schedule for adoption	Schedule for implementation	Magnitude of impact on development of needed housing	Magnitude of impact on housing affordability or choice	Time frame over which it is expected to impact needed housing	Department(s)	Budget or staffing impact
		their needs, with an initial focus on building out a portal to assist housing navigators working with households in the homeless services system.							
12	Regional land bank plan	Develop a proposed plan for a regional land bank that outlines the necessary legal framework, governance structures, and operational guidelines. Define clear policy priorities, including considerations related to Affirmatively Furthering Fair Housing, market conditions and funding opportunities.	Not applicable	2027	Low	Low	TBD	PD&R, Housing	M&S funding
13	Permitting and production dashboard	Explore how to create a permitting and production dashboard to track production trends across the region.	Not applicable	2027	Low	Low	TBD	PD&R	FTE and M&S funding
14	Urban Growth Management Functional Plan housing audit	Begin a Metro Urban Growth Management Functional Plan audit and cleanup of housing-related titles to align with new State requirements and regional priorities as identified in the 2027 Future Vision.	2029	2027	Low	Low	Long term	PD&R	Low to none
15	Coordinated legislative agenda	Convene jurisdictional partners to develop a coordinated legislative agenda for state and federal housing/homelessness resources, including a regional priority to identify funding for infrastructure. The agenda would be updated as needed to meet changing regional needs (or every six years) and guided by appropriate Metro advisory committees for land use, housing and homelessness. Convene with Tribes that are interested in housing development to support urban Native populations to learn about their tribal priorities that can be addressed through Metro's work	2028	2028	Medium	Medium	3 - 6 years	GAPD, Housing, PD&R	Low/medium
16	Affordable housing funding feasibility	Consider the viability and feasibility of new funding for affordable housing development and preservation. Ensure that any new funding framework is informed by public opinion research and engagement with public, private and nonprofit leaders as well as analysis of housing needs and market conditions, and lessons learned from the 2018 regional housing bond and best	As determined by Council	As determined by Council	High	High	TBD	Council Office, COO, GAPD, Housing, PD&R	FTE and M&S funding

ID	Action	Description	Schedule for adoption	Schedule for implementation	Magnitude of impact on development of needed housing	Magnitude of impact on housing affordability or choice	Time frame over which it is expected to impact needed housing	Department(s)	Budget or staffing impact
		practices from other regions;, including evaluating opportunities to strengthen racial equity, fair housing and community resilience outcomes and alignment/integration with homeless and supportive housing services.							

Appendix 5: Review of past housing actions taken by Metro

Overview and context

Statutes instruct Metro, when completing its RHCS, to review and consider measures already implemented to promote the development of needed housing. This review can inform Metro as it considers possible actions for inclusion in the 2025 RHCS.

Metro's engagement in promoting diverse housing dates to its origins in the late1970s. Before Metro was formed, the Columbia Region Association of Governments (CRAG) had an even longer history. Metro's more recent history (2000s forward) illustrates its shift from its role as a policymaker and regulator towards its role as a convener, provider of data and analysis, advocate for best practices, and administrator of regional funding.

Metro's past and current work in the housing sphere can be grouped into several general categories:

- Regional policies
- Regulation
- Legislative advocacy and participation in rulemaking
- Best practice and information sharing
- Partnerships and collaboration
- Anti-displacement focus in transit corridor planning
- Funding

Current and past programs and efforts are listed to provide a fuller picture of Metro's engagement in housing. Lessons can be gleaned from what Metro has chosen to continue as well as efforts that are no longer active. This review excludes several programs that have indirect connections to the housing topic but that have long-term impacts on regional growth patterns, housing production, anti-displacement, and affordability. Examples include the Regional Transportation Plan, the Climate Smart Communities Strategy, Regional Flexible Fund Allocations, and economic development activities that impact job creation and household incomes.

As additional context for the roles that Metro has filled, it is worth noting at least two legal constraints on Metro's regulatory authority that guide Metro's focus on non-regulatory approaches. First, Metro's voter-approved Charter includes a prohibition against Metro requiring residential density increases in single-family neighborhoods within the existing urban growth boundary. To some extent, this prohibition has been rendered moot by state requirements for local jurisdictions to allow middle housing in neighborhoods. However, this Charter provision does still bar Metro itself from requiring additional density in neighborhoods.

Second, Oregon Revised Statute 197A.465 (2) states that Metro may not adopt a land use regulation or functional plan provision, or impose as a condition for approving a permit a requirement that has the effect of establishing the sales or rental price for a housing unit or residential building lot or parcel, or that requires a housing unit or residential building lot or parcel to be designated for sale or rent to a particular class or group of purchasers or renters.

Regional policies

Regional policies provide high-level guidance on the long-range vision for the region. Typically, these policies are implemented through a variety of other programs, partnerships, and regulations. Many of these types of efforts occurred in the 1990s, with subsequent refinements to policies over the years.

Areawide Housing Opportunity Plan

Status: inactive

In 1979, the Metro Council adopted the Areawide Housing Opportunity Plan to promote the planning and construction of affordable housing. The U.S. Department of Housing and Urban Development approved the plan in 1980.

Metro Housing Goals and Objectives

Status: inactive

In 1980, the Metro Council adopted Metro Housing Goals and Objectives, which were intended to address Statewide Planning Goal 10 (Housing).

Future Vision

Status: update initiated in 2025

As required by Metro's Charter, the Metro Council adopted a Future Vision in 1995. The Future Vision contains high-level statements about the region's desired future and general descriptions of some of the implementation measures to take. It describes a goal of having a variety of housing and neighborhood choices as well as a goal to intensify urban development. Metro has recently begun a process to update the Future Vision.

Regional Urban Growth Goals and Objectives (RUGGOS)

Status: inactive; now implemented through other plans

The RUGGOS were adopted by the Metro Council in 1995 to establish regional policies that were a precursor to regulations in the 1996 Urban Growth Management Functional Plan. The RUGGOS did not directly regulate local governments but established many of the topic areas that were eventually addressed in regulations. Regarding housing, the RUGGOS called for a "fair share" approach to planning for housing affordability around the region. Concepts found in the RUGGOs have been incorporated into subsequent planning documents.

Regional Framework Plan

Status: active and periodically updated

Metro's Regional Framework Plan was adopted in 1997 and has been amended in the ensuing years. The Framework Plan describes the high-level policies of the Metro Council, with Chapter One describing Metro's land use policies.

Policy 1.3 addresses Housing Choices and Opportunities, emphasizing the Metro Council's commitment to providing a variety of housing choices, "paying special attention to those households with fewest choices." The Metro Council's policies also emphasize the importance of

focusing housing growth in centers, corridors, and other areas that are well-served by transit to reduce the combined cost of housing and transportation.

Of relevance to the Regional Housing Coordination Strategy, policies 1.3.5 through 1.3.13 focus on the Metro Council's approach to working with local jurisdictions with a focus on incentives and coordination.

2040 Growth Concept

Status: active and periodically updated

Adopted in 1995, the 2040 Growth Concept is the region's long-range spatial plan for growth. The Growth Concept, implemented through a variety of other programs, partnerships, and policies, seeks to focus housing growth in the Central City, Regional Centers, Town Centers, Corridors, Main Streets, and Station Communities. These 2040 "design types" are intended to have a variety of activity levels and mixed-use, transit friendly development. The Growth Concept also envisions carefully planned urban growth boundary expansions into designated urban reserves as well as growth in neighboring cities outside of Metro's jurisdiction. Large portions of the region are designated as Neighborhoods in the Growth Concept. Per Metro's voter-approved Charter, Metro is prohibited from requiring density increases in existing Neighborhoods.

The 2040 Growth Concept Map has undergone periodic updates since its original adoption to reflect:

- New centers such as Cornelius Town Center and Tanasbourne/Amber Glen Regional Center
- Conceptual centers have been replaced with specific center boundaries
- Designated urban and rural reserves
- New and proposed high-capacity transit lines
- UGB amendments
- Changes to Title 4 designations (Industrial and Employment Areas)
- Simplification of Inner Neighborhoods and Outer Neighborhoods into the combined "Neighborhoods" design type
- New parks and natural areas

Metro intends to update the 2040 Growth Concept in the next several years.

Strategic Plan to Advance Racial Equity, Diversity, and Inclusion

Status: active

In June 2016, Metro adopted the Strategic Plan to Advance Racial Equity, Diversity and Inclusion. The strategic plan focuses on removing barriers for people of color and improving equity outcomes for these communities by improving how Metro works internally and with partners around the Portland region. The strategic plan identifies an objective of convening regional partners to support the development of stable and affordable housing.

Regulation

Metro's Urban Growth Management Functional Plan, which was first adopted in 1996, is the primary way that Metro implements the Metro Council's Framework Plan policies through

regulation. However, the Functional Plan does not directly regulate development. Instead, the Functional Plan contains direction to cities and counties about what must be addressed in their local plans. Metro completes an annual compliance report that documents local jurisdiction compliance with the Functional Plan. Amendments to the Functional Plan have generally been incremental and it has been approximately two decades since Metro last undertook the development of a new Functional Plan Title (Title 13: Nature in Neighborhoods).

Urban Growth Management Functional Plan

Status: active and periodically updated

Title 1: Housing Capacity

- Intended to encourage compact urban form and a fair-share approach to meeting housing needs.
- Generally, requires cities and counties to maintain or increase their housing capacity.
- Requires cities and counties to allow accessory dwelling units in zones that authorize detached single-units dwellings. This provision predates state requirements to allow ADUs by about two decades.

Title 6: Centers, Corridors, Station Communities, and Main Streets

- Encourages mixed-use, transit-friendly development in designated urban centers and corridors.
- Identifies 2040 Growth Concept centers, corridors, station communities, and main streets on the Title 6 Map. Requires local adoption of boundaries for centers by the end of 2025.
- Metro's 2040 Growth Concept centers serve the role that Climate Friendly Areas do elsewhere in the state under the state's Climate Friendly Equitable Communities (CFEC) program. This recognizes that the Metro region's work to encourage compact, mixed-use development in centers predates the CFEC program by almost 30 years.
- Sets voluntary expectations for cities and counties if they wish to be eligible for regional investments, currently defined as high-capacity transit.
- Provides cities and counties with opportunities for lower mobility standards and trip generation rates in these urban design types, facilitating housing development.

Title 7: Housing Choice

- Set voluntary affordable housing production goals for the 2001 to 2006 time period for local jurisdictions.
- Requires local jurisdictions to report on regulated affordable housing production. To ensure consistency in reporting, Metro has taken on updating the regional inventory of regulated affordable housing on a periodic basis.
- See Attachment 1 for additional history regarding Title 7. Generally, Metro's attempt at setting affordable housing production goals was unsuccessful, in large part because local jurisdictions were unable to meet those goals without funding. This history appears to indicate that establishing numeric housing production goals and reporting requirements are not a substitute for funding public housing.

Title 11: Planning for New Urban Areas

- Establishes requirements for local jurisdictions when concept planning for urban reserves and when comprehensive planning for recent UGB additions.

- Specifies that a concept plan for an urban reserve shall be developed prior to its addition to the UGB.
- Requires that a local jurisdiction consider the housing needs of the city, county, and region when planning for new urban areas. This requirement was adopted on the advice of MPAC who, in 2010, deliberated approaches to supporting affordable housing in new UGB expansion areas. MPAC formed a subcommittee to discuss the topic and ultimately did not recommend any specific housing affordability requirements for concept plans because they wished to be sensitive to local conditions.

Title 12: Protection of Residential Neighborhoods

- Reiterates the Metro Charter prohibition against Metro requiring density increases in single-family neighborhoods.

Title 14: Urban Growth Boundary

- Depicts the UGB and adopted urban and rural reserves on the Title 14 Map.
- Describes several processes by which the Metro Council may consider expansion of the UGB for housing needs.
    - Legislative UGB amendments: per statute, considered at least every six years based on completion of an Urban Growth Report (UGR), which includes a regional forecast, a regional housing needs analysis (current and future housing needs), a regional buildable land inventory, and reporting on housing trends.
    - Mid-cycle UGB amendments: process adopted by Metro in 2017 per state enabling legislation that was sought by Metro and a coalition. Provides a mid-cycle opportunity for cities to propose residential UGB expansions upon a demonstration that there is a need to revise the most recent UGR (i.e., household growth or residential land consumption is happening faster than anticipated).
- Describes the Metro Council's use of conditions of approval when expanding the UGB to specify expectations for urbanization and housing planning.

Anti-displacement focus in transit corridor planning

Historically, decisions on major public investments have not fully involved the people impacted by the immediate or downstream effects of these investments. Without bringing in the perspectives of the full range of impacted stakeholders, the social and economic implications of major transportation, land use and economic development decisions are not adequately explored. This lack of direct dialogue results in missed opportunities to effectively address key concerns, develop sustainable solutions and, ultimately, achieve equitable outcomes.

Beginning with its work on the Southwest Corridor high-capacity transit project, Metro has focused on equitable development in all subsequent corridor planning efforts, including 82nd Avenue, Division St., and Tualatin Valley Highway. Ongoing implementation efforts are aimed at ensuring that businesses and residents can remain in these communities and enjoy the benefits of improvements.

Legislative advocacy and participation in rulemaking

Status: active

Metro routinely participates in state legislative processes related to housing and urban development. Typically, Metro is supportive of legislation that enhances housing choices, housing funding, infrastructure provision, and efficient use of land.

Metro has participated in state rulemaking related to the OHNA program since its inception, both on rulemaking advisory committees and on several technical advisory committees.

Funding

Transit-Oriented Development program

Status: active

Established in 1998, Metro's Transit-Oriented Development program makes strategic investments in high-density communities along greater Portland's high-frequency transit network. The program plays an important role in supporting development that is aligned with the region's 2040 Growth Concept.

The 2023 Transit-Oriented Development Program Strategic Plan formalized and expanded on Metro's commitment to fostering equitable and climate-friendly communities designed around the region's transit system. It set new goals around affordability, climate and racial equity, and it provided additional concepts to leverage funding to increase the program's impact over time.

The program's desired outcomes place equity and healthy communities at the core:

- Higher density that supports transit ridership
- Places that are safe, convenient and enjoyable without a car
- Preventing displacement of communities of color and people with low incomes
- Increased number of affordable housing units near frequent service transit
- Economic benefits for people with low incomes and people of color
- Innovation in housing development and design to advance equity, demonstrate climate leadership and achieve cost efficiency
- Equitable Development Strategies
- To date, the Transit-Oriented Development Program has produced 11,139 housing units in the region. More than half are permanently affordable to people making 60 percent or less of area median income. The program has also produced over a million square feet of retail space near transit.

2040 Planning and Development Grants

Status: active

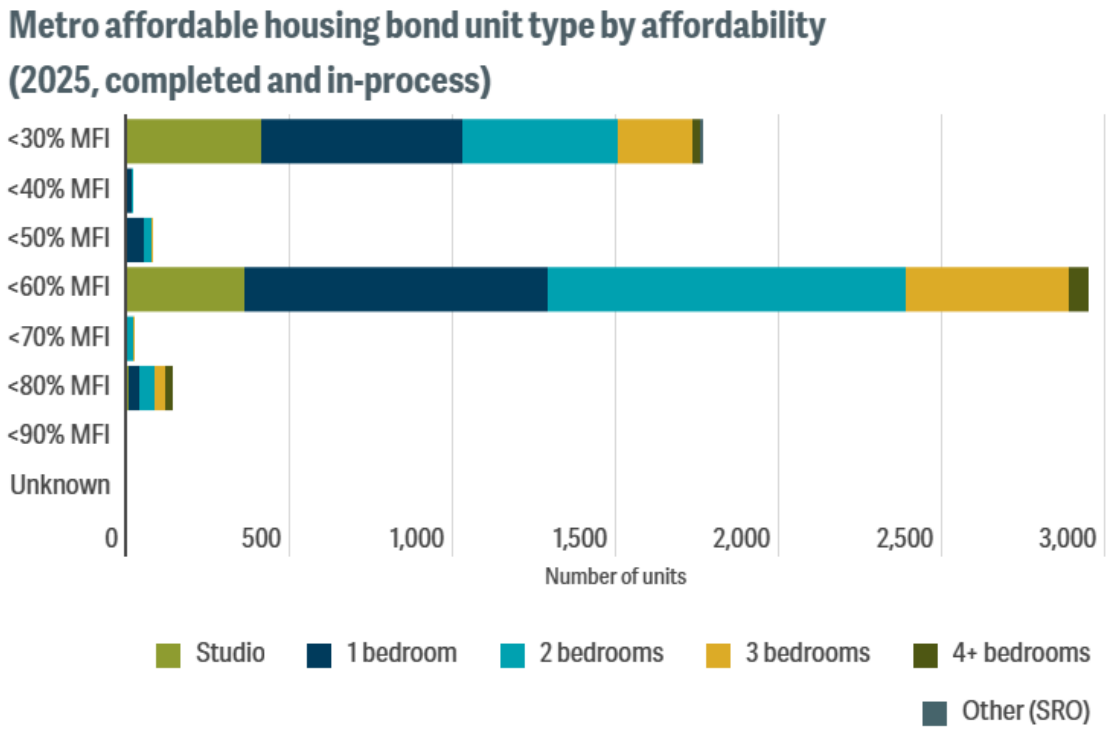
Since 2006, Metro has administered a grant program that utilizes revenues from a construction excise tax to fund local planning efforts aimed at removing barriers to development. The program was originally focused on funding UGB expansion area concept planning efforts but has been expanded to include planning efforts inside the existing UGB. Since its inception, Metro has awarded more than $30 million to fund over 135 projects around the region. These grants enable Metro's partners to update their plans and policies to encourage more housing production. In the last

decade, the grant program has focused more on supporting equitable housing, including a special grant round in 2016 with that focus.

Affordable Housing Bond

Status: active

In 2018, Metro asked voters to support the creation of new affordable housing in the region. The resulting voter-approved bond generates $652.8 million for new affordable housing construction in the region and is on track to create an estimated 5,600 affordable homes – 1,700 more than its initial goal.



Metro site acquisition program

The affordable housing bond program sets aside 10% of its funds for Metro's Site Acquisition Program, which was created to buy land for affordable housing where the region needs it most. Guided by community input gathered at the beginning of the program, Metro staff search for sites across greater Portland that are near amenities like grocery stores, parks, schools and transit, and meet one or both criteria: areas where communities of color are at risk of displacement and areas with limited affordable housing options.

The site acquisition program has resulted in 672 new residential units around the region. They are being built in all three counties and half are larger (2+ bedroom) units for families. Slightly less than half (268 units) will be for people who make 30 percent or below area median income.

Supportive Housing Services

Status: active

In May 2020, voters in greater Portland approved Measure 26-210 to fund services for people experiencing or at risk of homelessness. Metro now works with Clackamas, Multnomah and Washington counties to reduce homelessness through programs and services that help people find and keep safe and stable homes. These include but are not limited to:

- Emergency services such as outreach and shelter
- Placement into housing
- Help paying rent (both emergency and long-term rent assistance)
- Advocacy and case management
- Services in the areas of mental health, physical health, language and culture needs, education, employment, addiction and recovery, tenant rights and others.

Brownfield assessment grants

Status: active

Contamination or perceived contamination of properties can prevent them from providing new housing and business opportunities. Metro offers assistance for brownfield site assessments for properties that could be developed into community assets. This grant from the EPA runs through Sept. 30, 2028.

The project focuses on several main areas:

1. Conduct full Phase I/Phase II environmental site assessments on properties throughout greater Portland, with an emphasis on four target corridors.
2. Work with community members to increase understanding of how brownfields impact communities and how to engage in cleanup and redevelopment.
3. Provide technical assistance to property owners addressing contaminated sites.
4. Work with community members and potential developers to move forward with site cleanups based on redevelopment opportunities.
5. Build capacity of residents and local businesses to access careers and job opportunities in environmental remediation and redevelopment.
6. Build partnerships and engage communities.

Regional Housing Choice Revolving Fund

Status: inactive

In 2007, the Metro Council approved a one-million-dollar contribution as seed money for the creation of a $10-$20 million Regional Housing Choice Revolving Fund (RHCRF). The intent was to leverage $9-$19 million in matching contributions from public, private, and charitable partners to create the fund, which would be managed by an experienced nonprofit community-based fund administrator and governed by a regional board of directors.

Metro's contribution of $1 million was contingent upon several conditions being met, including the establishment of a fund with at least $10 million in capital. Upon the two year deadline for meeting those conditions, financial matches were inadequate.

Had it been fully funded, the RHCRF would have extended low-interest loans to catalyze the development and preservation of affordable housing in the Metro area with a focus on implementing the 2040 Growth Concept. Non-profit and for-profit developers would utilize these low-interest loans for such purposes as site acquisition and holding, predevelopment costs for planning and design, and short-term debt financing for the acquisition of existing rental properties with expiring affordability requirements.

Best practices and information sharing

Social Vulnerability Explorer

Status: active

The Social Vulnerability Explorer is a publicly available online mapping tool maintained by Metro that provides socioeconomic and demographic spatial data. Commonly used data from the U.S. Census Bureau sometimes do not fully capture information about vulnerable people and their needs. The Social Vulnerability Explorer boosts this Census data with other data sources that have demographic information. The data can be explored at various levels: neighborhood, city and county. It offers this information in a way that can be visualized and analyzed through maps using only a web browser.

Distributed Forecasts

Status: active

To fulfill its forecast coordination responsibilities, Metro conducts a regional population, household, and employment forecast at least every six years as part of its urban growth management decisions. The most recent regional forecast was adopted as part of the 2024 urban growth management decision. After the adoption of a regional forecast, Metro undertakes what it calls a Distributed Forecast, which describes how much growth is expected occur in each Metro area jurisdiction. The Distributed Forecast is developed in coordination with local jurisdictions. These forecasts are considered by the State of Oregon Department of Economic Analysis when setting housing targets and housing need allocations for cities and urban unincorporated areas under the OHNA program. Metro will soon begin the process of developing the 2050 Distributed Forecast and anticipates Council consideration in 2026.

Construction Careers Pathways

Status: active

Additional skilled tradespeople are needed to support housing production in the region. The Construction Career Pathways policy framework and toolkit outlines seven critical strategies to provide reliable career pathways for women and BIPOC people. These strategies were developed by the Public Owner Workgroup, which was comprised of 16 public agencies, and included significant input from industry and community stakeholders. Currently, nine public agencies have formally adopted the framework:

- Metro
- Prosper Portland
- Clackamas County

- Multnomah County
- Washington County
- City of Portland
- Portland Public Schools
- Portland Community College
- TriMet

Metro will be working with additional jurisdictions to adopt the framework, support their implementation and build collaboration to increase the impact of these strategies throughout the region.

Residential development indicators

Status: active

Metro produces biennial reports on housing development inside the UGB. The most recent report is available as Appendix 5A to the 2024 Urban Growth Report. The report highlights housing construction and land use trends, including information on housing types, locations, and densities.

Regional Barometer

Status: inactive, no longer available

The Regional Barometer is an open data tool that provides a snapshot of data from early 2020. The tool provided facts and figures, access to related stories, research and reports, and downloadable data for additional analysis.

Regional Snapshots

Status: inactive, but available online

In this now-defunct web-based storytelling effort, Metro used data and personal accounts to highlight challenges related to community development and change. Several installments focused on housing production and housing affordability. In keeping with its goal of raising awareness of topics, the Regional Snapshots program also hosted a series of speaker events, several of which focused on housing diversity and affordability.

Community Investment Toolkits

Status: inactive, but available online

From about 2007 to 2010, Metro developed several Community Investment Toolkits. These toolkits offered best practices for innovative designs, financial incentives, and system development charges to encourage housing production.

Expert Advisory Group on Developing Centers and Corridors

Status: inactive, but report is available online

In 2009, Metro convened an expert advisory group to identify barriers to mixed-use, compact development. The group produced a report, which is available on Metro's website.

State of the Centers

Status: inactive, but reports are available online

In the early 2000s, Metro published several State of the Centers reports. 2040 Centers are intended to be a primary location for housing and job growth. These reports provide a description and demographic information for each center, highlight community actions to enhance it, and list its private and public amenities. A now-defunct online data tool on centers was also created by Metro.

Regional Equity Atlas

Status: inactive; some older opportunity maps remain available online

On the heels of the region's unsuccessful 2010 and 2011 applications for a HUD Sustainable, Livable Communities Grant, Metro partnered with the Coalition for a Livable Future to complete the Regional Equity Atlas 2.0. The Atlas consisted of an online mapping tool that provided decision makers and others with the means of creating opportunity maps that depicted disparate outcomes for marginalized communities to inform policy and investment decisions, particularly decisions about where to encourage housing development. The partnership also included a series of trainings to build community capacity to use the mapping tool to influence decision making. Metro provided a series of opportunity maps in past urban growth reports.

Parcelization Study

Status: completed

This 2012 study commissioned by Metro sought to understand the extent to which parcelization of land (division of land into many parcels) is an impediment to development. The study found that, of the many barriers to development, parcelization is probably not generally a major issue. However, it may be a critical problem in specific instances.

Equitable Housing Initiative

Status: completed

The Equitable Housing Initiative was a precursor to Metro's housing funding measures. The initiative produced a 2016 report entitled Opportunities and Challenges for Equitable Housing.

Housing preference survey

Status: complete

To inform the 2014 Urban Growth Report, Metro partnered with several organizations to conduct a residential preference survey that sought to develop a better understanding of housing and neighborhood preferences and how respondents weigh tradeoffs like costs and commute times. The survey used a variety of techniques including a revealed preference survey, a stated preference survey, and traditional attitudinal surveys. It proved difficult to draw conclusions from this work because of population sampling challenges.

Partnerships and collaboration

Brownfields Coalition

Status: active coalition

Since 2014, Metro has led the statewide Oregon Brownfield Coalition, a group of more than 50 public, private, and nonprofit organizations. The mission of the coalition is to advance the cleanup and reuse of brownfields to improve the environment, economy, and health of communities across Oregon. The coalition has successfully advocated for legislation to support brownfield remediation.

Build Small Coalition

Status: active, but not longer convened by Metro (now convened by DLCD)

The Build Small Coalition was originally convened by the Oregon Department of Environmental Quality and focused on the waste reduction benefits of smaller format housing. At DEQ's request, Metro took over convening this group for several years. Under Metro's leadership, the coalition's focus shifted towards the affordability and land use efficiency of smaller format housing. Under Metro's leadership, the coalition completed an audit of local zoning codes related to accessory dwelling units, organized middle housing tours, hosted guest speakers, and held two Build Small, Live Large Conferences. In recent years, as the state became more active in middle housing topics, the Department of Land Conservation and Development took over convening the consortium.

HUD Sustainable, Livable Communities Coalition

Status: inactive

Metro filled a convener role in organizing a regional consortium to submit Sustainable, Livable Communities grant proposals to the U.S. Department of Housing and Urban Development in 2010 and again in 2011. The coalition was not awarded a grant either year. The proposed work would have included opportunity mapping, regional analyses of impediments to Fair Housing, community capacity building, refinements to regional housing needs analysis methods, a pilot program to explore Section 8 voucher portability across the three-county area, and the development of regional housing strategies.

Attachment 1: Functional Plan Title 7 historic context

Voluntary housing goals and initial reporting requirement

In a settlement to a challenge on the 1997 Urban Growth Management Functional Plan relating to inclusionary housing, the Oregon Land Use Board of Appeals mandated that Metro convene a task force (the Affordable Housing Technical Advisory Committee or HTAC) to develop a Regional Affordable Housing Strategy. Based on the work of this group, Metro adopted an ordinance in 2000, amended in 2002, which required local jurisdictions to consider actions that would promote affordable housing and a voluntary affordable housing production goal for five years 2001 - 2006. Those voluntary goals can be found in Title 7. Local jurisdictions were required to submit progress reports over the next few years to Metro.

Progress reports 2002 - 2005

About half of the local jurisdictions submitted progress reports in the timeframe specified in Title 7. All but two eventually submitted reports, though they were abbreviated. The results of these progress reports were summarized in the 2004 compliance report (released by the Council in early 2005) and then summarized again in a memo to MPAC in 2006. As the compliance report indicates, few cities adopted the voluntary housing goals. Though many jurisdictions considered actions to promote affordable housing, few adopted them.

New Housing Choice Task Force: 2006 recommendations

As required by Title 7, Metro reconvened the housing Task Force in 2005. In 2006, MPAC and Council endorsed the recommendations from the Task Force, which called for Metro and the region to take a variety of actions to promote housing. When Title 7 was amended, MPAC and Council voted to retain the voluntary housing production goals and amended the text to indicate that the goals would be amended over time and to continue reporting requirements for local jurisdictions on affordable housing production.

Title 7 progress reports suspended in 2007

Within a year of the adoption of the new Title 7, after review and discussion at Council, the Metro Chief Operating Officer suspended Title 7 reporting requirements. This was based on the experience that the reports were not providing consistent information, were a burden to local jurisdictions, and were not helping result in getting more housing built. The suspension was intended to allow Council to reconsider the role of these requirements. Today, the voluntary affordable housing production targets for the 2001 to 2006 period are considerably out of date. Because the state now sets housing targets for local jurisdictions under the OHNA program, there is not a clear rationale for Metro establishing updated production goals, which would likely add confusion to the OHNA program.

Appendix 6: Equitable engagement summary

Engagement overview

The engagement approach for developing Metro's RHCS focuses on outreach and coordination with many individuals, governments and organizations from across the region. These efforts have centered on understanding barriers to housing production and equitable access and collecting ideas from a variety of perspectives about what Metro can do to fill regional gaps and support local work. The aim of this outreach was to foster stronger relationships with our partners and to create an impactful strategy that can be feasibly implemented over the next six years.

Engagement goals and objectives

- The strategies in Metro's RHCS are informed by barriers and needs identified by jurisdictions and housing advocacy groups and experts in the region.
- Existing programs and information available at Metro are lifted up and built upon in the strategies.
- Collaborative engagement leads to a regional strategy that is responsive to the OHNA mandate and spirit of promoting housing production and choice for all community members in our region.
- Engagement activities facilitate new connections, relationships and points of coordination between entities working to meet housing needs across the region.
- The engagement process for Metro's first ever RHCS informs the resources and approaches for future RHCS cycles so that it becomes integral and valuable to all entities in the region working to meet housing needs.
- Following the creation of the RHCS, the project team will reflect on project outcomes, identify areas for improvement and set up the next RHCS for success.

Key engagement phases and topics

Several phases of engagement encompassed the development of the RHCS. The primary intent of these phases was engaging with jurisdictional staff implementers, practitioners, advocates, service providers, and housing professionals with firsthand experience of the challenges in the region to hear their perspectives and ideas for meaningful and impactful actions for Metro to take. Not every engagement phase was a discrete amount of time. Many conversations covered several topics together and interrelated feedback was compiled across the engagement activities and over several months to influence the final RHCS.

The primary outcomes of the engagement activities were:

- A list of barriers to housing production and access

- A list of actions for Metro to take to promote housing production, affordability, access, and choice (the full list of action ideas can be found in Appendix 7)
- An evaluation framework to assess each action's impact on housing preservation and production, impact on affirmatively furthering fair housing, and organizational impact on resources and implementation feasibility.

Phase 1: Pre-scoping research and project preview (October 2024 – February 2025)
During the initial phase of the project, the project team focused on conducting foundational research and early outreach to shape the scope of work and engagement plan. This work included a review of existing Housing Production Strategies (HPS) that identify Metro as an implementation partner and interviews with several local jurisdictions to hear initial thoughts about the RHCS and gauge interest in future engagement. Additional interviews with partner organizations centered on assessing interest in participating in the RHCS development and gathering early input on how the strategy might support their ongoing housing efforts.

Additionally, staff reviewed key findings from recent engagement efforts conducted as part of Metro's housing work, including Permanent Supportive Housing and Supportive Housing Services Implementation Engagement, Affordable Housing Investment Opportunities Community Engagement, and Affordable Housing Investment Opportunities Technical Engagement (see Appendix 6 for summaries of these engagement efforts). This scan of recent Metro housing engagement helped inform the RHCS engagement plan by building on and leveraging relevant information and insights already shared by key industry stakeholders and experts.

Activities:
- Pre-scoping research and interviews
- MTAC meeting #1
- MPAC meeting #1

Phase 2: Scope of work and engagement plan (February 2025 – April 2025)
Following pre-scoping research, the project team presented the proposed scope of work and engagement plan to a range of advisory and oversight bodies, including the Metro Council, the Committee on Racial Equity (CORE), Metro Policy Advisory Committee (MPAC), and Metro Technical Advisory Committee (MTAC). Additionally, an internal cross-departmental work meeting was convened to introduce the project more broadly within Metro. Staff reviewed the agency's existing efforts to support needed housing development, identified any gaps in that work, and began collecting preliminary ideas for strategies that could be incorporated into the RHCS. During this stage of engagement, the project team began to receive requests to present this work to outside groups such as the Washington County Planning Directors and 1000 Friends of Oregon. Responses to these requests resulted in additional opportunities to present this project and receive feedback.

Activities:
- Metro Council work session #1
- CORE meeting #1
- MTAC meeting #2
- MPAC meeting #2
- Internal cross-departmental Metro staff meeting #1

- Washington County Planning Directors meeting
- 1000 Friends of Oregon Land Use Leadership Initiative meeting
- Project web page created

Phase 3: Metro's roles in housing production, coordination, and access and barriers to meeting housing needs (April 2025-July 2025)

In this phase of engagement, the engagement events focused on understanding the specific barriers to housing production and access across the region and summarized these barriers into three categories – regulations and systems, market and financing, and equity and housing choice. Additionally, participants were asked to share their perspectives on the importance and impact of Metro's various housing-related roles on their own work and discuss which areas they would like to see continued investment in the future. Some of these conversations fed into new ideas for Metro to consider as part of the ongoing list of brainstormed actions. A key goal of this phase was to better understand how regional efforts can complement and support local housing initiatives through tools, capacity building, funding, convening, and other mechanisms.

An online survey tool was created during this period to provide a participation method for people who were invited to some of these meetings but who couldn't attend. Feedback from that survey was combined with information collected during meetings.

Activities:

- Implementers Work Group meeting #1
- Clackamas County Coordinating Committee meeting #1
- Coalition member meeting: Oregon Smart Growth
- Coalition member meeting: Housing Oregon (an industry group of organizations that build, finance, and support affordable housing)
- Coalition member meeting: Home Building Association
- Focus group: Housing advocacy and provider coalitions
- Focus group: Development and financial professionals with experience in innovative approaches to affordable housing outside of Low-Income Housing Tax Credits (LIHTC)
- Focus group: Urban Native community-based organizations
- Metro Council work session #2

Phase 4: Preliminary list of actions and draft evaluation framework (May 2025 – July 2025)

Building on earlier engagement, this phase involved collecting ideas for specific actions that Metro might take to support housing production, affordability, and choice. These actions were considered through the lens of Metro's unique capabilities and responsibilities, with a focus on what is feasible and well-aligned with existing regional efforts or a new work program that would meaningfully address unmet needs. The feedback gathered during these activities also informed the development and refinement of an evaluation framework to filter and sort proposed actions.

Activities:

- Internal cross-departmental Metro staff meeting #2
- Implementers Work Group meeting #2
- MTAC meeting #3
- MPAC meeting #3
- CORE meeting #2

- Washington County Coordinating Committee (WCCC) and WCCC Transportation Advisory Committee

Phase 5: Evaluated, shortened list of actions and additional information about priorities (July 2025 - August 2025)
These engagement events shared results of the evaluation process and sought feedback on the resulting list of prioritized actions. The goal of this phase was to identify the most widely supported actions across the groups of stakeholders and continue to add details to the resulting "short list" to capture potential tradeoffs based on project budget and staffing impacts. Feedback during this engagement phase helped clarify community, jurisdictional, and internal priorities ahead of the public comment period.

Activities:
- Implementers Work Group meeting #3
- MTAC meeting #4
- MPAC meeting #4
- Metro Council work session #3

Phase 6: Draft RHCS, public comment period, and preparation for adoption (September 2025 – December 2025)
The final phase of the project will focus on drafting the RHCS and preparing it for adoption. A public discussion draft will be published in September to kick off the public comment period to gather any final input on the draft strategy. The discussion draft will be shared with all of the organizations and individuals that participated in the process, as well as appear on the project web page for comment. This feedback, along with any final comments from MTAC and MPAC will be incorporated into the final version of the RHCS. Staff will present a final document to the Metro Council for approval by the end of December 2025.

Activities:
- Implementers Work Group meeting #4
- Public comment period
- Share project information at Housing Oregon Conference
- Washington County Coordinating Committee (WCCC) and WCCC Transportation Advisory Committee (TAC)
- Clackamas County Coordinating Committee (C4)
- MTAC meeting #5
- MPAC meeting #5
- MTAC meeting #6 – recommendation of final strategy to MPAC
- MPAC meeting #6 – recommendation of final strategy to Council
- Metro Council work session #4 – receive committee recommendations
- Metro Council meeting to pass Resolution to adopt the final RHCS

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Pre-scoping research and interviews

Purpose: Pre-scoping engagement activities serve two primary purposes. The first is building an in-depth understanding of recent housing needs and production work in our region. The second is to inform the scope of work and engagement strategy for the development of the RHCS, building on what jurisdictions in the region have already done as a part of completing their Housing Production Strategies and what Metro has done in recent housing engagement efforts. This inventory will help to prevent over-engaging or burdening interested groups and community members and identify opportunities to add to the ongoing conversations and find places to fill gaps and add value. The project team will use lessons learned from pre-scoping activities to inform the engagement approach and begin an inventory of existing barriers to housing production and access and preliminary ideas for potential strategies.

Approach

To establish a baseline understanding of housing production work in the region, Metro began pre-scoping work by conducting interviews with staff from the cities who have completed their Housing Production Strategies (HPS) as of fall 2024 (Portland, Beaverton, Milwaukie, Gresham, and Hillsboro). Beyond speaking to staff directly, the project team also scanned the completed HPS documents to inventory actions that identify Metro as a potential implementation partner.

Additionally, the project team spoke to a few organizations that have been historically involved with housing legislature and rulemaking to gauge interest in participating in the development of the RHCS and to hear a few preliminary ideas for actions Metro could take as a part of this work. Community Visions and 1000 Friends of Oregon provided initial ideas such as a focus on better messaging and public outreach around the benefits of affordable housing and the creation of a listing service so community members with disabilities could be better matched with available accessible homes.

The Housing Department has led many housing engagement efforts over the past few years as a part of their work portfolio managing the Affordable Housing Bond and the Supportive Housing Services funds. Three different bodies of engagement were reviewed for key findings that could be carried forward into the work being done for the RHCS – Permanent Supportive Housing and Supportive Housing Services Implementation Engagement, Affordable Housing Investment Opportunities Community Engagement, and Affordable Housing Investment Opportunities Technical Engagement. This work provided a substantial amount of information related to existing barriers to housing access and included many ideas for Metro to take to continue to meet needs for high-quality, affordable housing.

Throughout 2024, an Urban Growth Report roundtable made of a wide variety of industry, government, elected officials, and community members met to discuss key elements of the Urban Growth Management decision. Several meeting topics involved future housing production and demand. The group generated a list of development barriers and several ideas for actions Metro could take like renewing funding for affordable housing, coordinated legislative advocacy, and increasing regional support for local planning efforts. This information was integrated into the ongoing list of barriers and action ideas as the starting point for development of the RHCS.

Key takeaways from research and interviews

1. Role clarity and coordination
    - Interviewees point to Metro's potential as a regional convener and facilitator of coordination between jurisdictions, agencies, and stakeholders to align strategies and efforts.
    - Need for Metro to provide clearer guidance on coordination and alignment, act as a central clearinghouse for resources, and convene forums for shared learning and strategy development.
    - *Connection to scope of work and engagement plan*: Metro's potential as a regional convener and facilitator of coordination between jurisdictions, agencies, and stakeholders to align strategies and efforts

2. Affirmatively Furthering Fair Housing
    - Gaps in knowledge/expertise from planners, consultants and lack clarity from State in addressing Affirmatively Furthering Fair Housing (AFFH) requirements in HPS development process and implementation.
    - Need for greater focus on fair housing strategies, including analyzing displacement risks, addressing need for accessible housing, and promoting equity and access to high opportunity.
    - Barriers to housing access identified by jurisdictions include language discrimination, credit/screening requirements, and accessibility issues.
    - Desire for strategies prioritizing marginalized communities, addressing housing affordability for middle-income households, and preserving existing affordable housing stock.
    - *Connection to scope of work and engagement plan:* Need for greater focus on fair housing strategies, including analyzing displacement risks, addressing need for accessible housing, and promoting equity and access to high opportunity

3. Community and partner engagement
    - Importance of broad and inclusive engagement in developing housing strategies, including voices from marginalized groups.
    - Value of storytelling and effective communication to build public support and awareness about regional housing challenges and successes.
    - *Connection to scope of work and engagement plan*: City staff and partner organizations have limited capacity but are interested in supporting/participating in RHCS development process. Cities and partner organizations shared interest in convening at a regional level for shared conversations and learnings. Ideally, the engagement process is mutually beneficial for Metro and organizations that choose to be involved.

4. Innovative and collaborative approaches
    - Some cities experiment with innovative partnerships, like Gresham's participation in NYU's Housing Solutions Lab.
    - Need to align housing efforts with other regional goals, such as climate-friendly development and equitable transit-oriented development.
    - *Connection to scope of work and engagement plan:* Metro has a potential role in fostering collaboration among developers, providers, and jurisdictions to address shared challenges.

5. Funding and resource challenges
    - Persistent barriers due to insufficient funding for housing initiatives, particularly for affordable housing production and implementation.
    - RHCS provides opportunities to explore regional funding mechanisms, such as bonds, grants, tax incentives, land banking, and revolving loan funds.
    - Project perception as an unfunded mandate.
    - *Connection to scope of work and engagement plan:* Potential Metro role in helping cities secure funding by streamlining processes, advocating for resources, and sharing information on available opportunities.

6. Regulatory and policy opportunities
    - Several interviewees expressed a need or opportunity for stronger mandates or incentives to align equitable land use and housing policies from Metro, such as Title 6 and CFEC (climate friendly and equitable communities) rules.
    - OHNA creates opportunities to promote redevelopment and infill, especially in high-opportunity areas.
    - Interest in reforming zoning laws to facilitate housing conversion and production.
    - *Connection to scope of work and engagement plan:* Implementers work group can be used to share resources and ideas that have been tried at the local level and lessons learned. The RHCS can identify opportunities to align policies and programs to be better coordinated across the region.

7. Regional capacity and expertise building
    - Limited staff capacity in cities for housing-specific planning; most jurisdictions lack dedicated housing planners.
    - *Connection to scope of work and engagement plan:* Convene forums for shared learning and strategy development and ensure that the engagement process is mutually beneficial for Metro and city or partner organizations.

8. Long-term visioning
    - Emphasis on aligning housing strategies with broader regional goals, including sustainability, equity, and economic growth.
    - Desire for Metro to play a proactive role in legislative advocacy, infrastructure funding, and regional visioning for housing production and affordability.
    - *Connection to scope of work and engagement plan:* Important area for Metro internal staff focus group discussions – how do we see our individual bodies of work aligning under this project? Are there ways the RHCS can leverage work Metro is already doing?

9. Strategy planning and implementation
    - Interviewees saw challenges with state's long-term accountability and tracking progress beyond the initial phases of implementation.
    - Align RHCS with local implementation efforts so that the strategy is complementary and supportive to local plans to streamline housing production efforts.
    - Identify accountability mechanisms for meaningful impact.
    - *Connection to scope of work and engagement plan:* HPS and RHCS work often start with internal conversations but require broader community engagement and

cross-departmental collaboration. RHCS should focus on actionable and realistic strategies, ensuring feasibility within funding, capacity, and political constraints.

Recommendations for Metro

- Act as a central coordinator and resource hub for housing planning/production efforts. Increase role as a centralized clearinghouse for resources.
- Provide training and technical assistance to address capacity and expertise gaps in local jurisdictions, especially around AFFH.
- Metro can support long-term capacity-building through providing technical assistance to city/county partners, education programs/cohorts, and partnerships with universities or training institutions.
    - Interest in creating a pipeline for housing planning expertise (e.g., internships, targeted education initiatives).
- Advocate for sustainable funding sources and facilitate access to regional and federal funding.
- Align new housing efforts with existing regional goals, such as climate-friendly development, equitable TOD, and regional housing/SHS governance
- Enhance communication and messaging around housing challenges and solutions to build public and stakeholder support. Explore messaging reform and tested communication strategies to dispel stereotypes around affordable housing.
- Convene regular forums for knowledge-sharing and strategy alignment across jurisdictions.
- There are significant data gaps at regional level. Opportunity to use DRC as regional resource for data and analysis (e.g. tracking displacement at regional level, tracking availability of accessible units, mapping segregation, producing regional housing production affordability trends analysis, etc.)

Implementers Work Group (IWG)

Purpose:
Metro hosted four discussions with jurisdiction staff from the cities and counties in the region required to create a Housing Production Strategy. Both housing and land use planning staff were invited to participate and share their experiences of barriers to housing production and access and their thoughts about the most valuable roles Metro can play to support their local efforts. The final meetings will focus on reviewing the evaluation approach, prioritizing the evaluated list of actions, and discussing the final draft RHCS.

Approach:
Meeting #1 – project background, goals and scope of work; discussion of barriers to housing production and access; prioritizing Metro's roles in housing work; preliminary discussion of action ideas, April 18, 2025

- The Implementers Work Group called out funding and investment, technical assistance, and data and analysis as the top three roles for Metro to support their housing work at the local level
- The remaining categories of partnerships and collaboration, convening, communication and public engagement, and best practices and research received generally positive feedback and were acknowledged as other important pieces of Metro's role in the region.
- The only role to receive negative feedback through this engagement stage was regulation and regional policies, as many groups did not want to see additional requirements as an outcome of the strategy.
- Preliminary action ideas – convening funders, housing bond for more funding, land banking, developer partnerships, technical assistance and sharing housing expertise

Meeting #2 – Review the draft evaluation framework; providing feedback on improvements; further discussion of action ideas, May 16, 2025

- The project team presented the draft evaluation framework to the group and explained the proposed approach to scoring each action based on three categories – organizational impact, impact on housing production, and affirmatively furthering fair housing (AFFH)
- Discussion focused on ensuring the evaluation framework reflects regional priorities and addresses the needs of jurisdictions
- The members of the IWG provided valuable feedback, encouraging the project team to remove numeric scoring from the impact on housing production and AFFH categories so action effectiveness could be better differentiated
- New criteria were suggested, like one to represent an action that directly supports jurisdictions' abilities to meet their own housing production strategy creation and implementation and another to measure how an action improves regional outcomes around housing production, accessibility, affordability, and AFFH
- Overall, the feedback encouraged a focus on operational considerations and impact to initially score and sort the actions, and then to focus on understanding the range of actions that would be needed, in combination, to achieve all objectives around housing production and AFFH

Meeting #3 – Review of final evaluation approach; prioritization of evaluated list of actions, June 27, 2025

- The project team presented the revised, final evaluation framework and highlighted the changes that were made based on the IWG feedback from the previous meeting.
- Members of the IWG confirmed that the edits to the evaluation approach reflected their feedback from the second meeting and made sense to use moving forward.
- After presenting the shortened list of actions based on evaluation, the group ranked their top priorities
- The top 10 actions selected by the group:
    1. New affordable housing bond
    2. SDC assistance fund
    3. Local HPS implementation funding and support
    4. Regional land bank plan
    5. Housing predevelopment and technical assistance
    6. Coordinated housing legislative agenda
    7. Evaluate alternative models for affordable housing financing
    8. Regionally available pool of housing professionals for technical assistance
    9. Expand funding for the brownfield grant program
    10. Alternative home ownership opportunities

Meeting #4 – Review the final package of proposed actions and the overall draft RHCS, September 19, 2025

- The project team presented a recap of all Implementer Work Group meetings and described how their feedback influenced the development of the RHCS, from brainstorming the list of actions to proposing changes to the evaluation approach.
- Participants reviewed the final proposed list of actions and discussed four questions:
    - Is anything critical missing?
    - Do any actions still seem unclear?
    - What actions, once taken, will be most impactful for your jurisdiction?
    - What could implementation look like locally?
- Overall, there was a shared sentiment that the proposed RHCS met the group's expectations and was an appropriate representation of actions that Metro is well suited to take to fill gaps on a regional scale.
- Members appreciated specific actions that would help smaller jurisdictions with less housing staff and highlighted the importance of the coordinated legislative agenda and a future housing bond.

Participants representing the following jurisdictions:

- Beaverton- housing and planning staff
- Cornelius
- Fairview
- Forest Grove
- Gladstone
- Gresham- housing and planning staff
- Happy Valley
- Hillsboro- housing and planning staff
- Lake Oswego
- Milwaukie
- Oregon City
- Portland- housing and planning staff
- Sherwood
- Tigard
- Troutdale
- Tualatin
- West Linn
- Wilsonville
- Clackamas County
- Multnomah County
- Washington County

- Housing Authority of Clackamas County
- Washington County Housing Authority
- Oregon Department of Land Conservation and Development

Coalition member meetings and focus groups

Purpose:
Coalition engagement and focus groups provided targeted input from key stakeholders to help shape the RHCS. Participants explored the practical implications of proposed RHCS actions, offered insights into sector-specific barriers and opportunities, and ensured diverse perspectives are reflected in the final strategy.

Approach:
The project team attended six different coalition meetings and focus groups depending on organizational availability and needs. Despite differences in format, each meeting had the same shared goals - understanding barriers that different groups face related to housing affordability, production, and access, and hearing a wide variety of ideas about actions that Metro could take to support their work and fill regional gaps.

Housing Oregon coalition member meeting and survey
To confirm the findings and takeaways from the pre-scoping research about affordable housing and to hear new ideas about barriers and actions, the project team attended a Housing Oregon member meeting to present an overview of the RHCS and invite comments about each organization's perspectives and needs as they relate to the goals of the strategy.

Since the presentation time at the meeting was brief, the team shared a survey with members to capture their feedback on similar topics that were discussed during longer focus group events to ensure that these organizations had the same opportunities to communicate their needs and share their ideas. The intent was to give time for representatives to think through their priorities, discuss with their broader organization as needed, and provide information that was aligned with the qualitative responses from other events. Overall, 27 responses were gathered from representatives of public, private, and nonprofit affordable housing development and finance organizations.

Survey questions:

1. What organization do you represent?
2. Does your organization identify as a culturally-specific developer or service provider?
3. What community (or communities) do you primarily work with?
4. Which of the following best describes your role at your organization?
5. Metro has filled many roles, in the past and present, when it comes to housing production, coordination, and access. Please rank the roles that you think are most critical to support your work, now and in the future:
    - Regulation and regional policies
    - Research and innovation
    - Communication and engagement
    - Legislative advocacy
    - Convening
    - Technical analysis and capacity building
    - Funding and investment
    - Data and analysis
    - Partnerships and collaboration

6. Within the space of funding and investment, what actions do you think Metro should consider taking to advance housing production, affordability and choice? Please provide up to five ideas that you think Metro should consider including in the plan. You could draw from this list or provide new ideas not listed below.
    - Pass a new housing bond to fund the creation and preservation of regulated affordable housing
    - Create an implementation plan for a regional land bank
    - Develop a coordinated strategy for investing in acquisition and preservation of "naturally occurring affordable housing"
    - Evaluate models and develop recommendations for alternative affordable housing financing and ownership models that could complement LIHTC/gap funding approaches (e.g. social housing, community land trust, resident-owned cooperatives)
    - Leverage Metro's 2040 planning and development grants to fund predevelopment planning for affordable housing
7. Outside of funding and investment, what actions do you think Metro should consider taking to advance housing production, affordability, and choice? Please provide up to five ideas that you think Metro should consider including in the plan. Below are some examples of ideas we've heard through engagement to date. You could draw from this list or provide new ideas not listed below.
    - Develop a proposal to create a regional consortium for buying materials or services needed to create housing at scale
    - Conduct research, convene partners, and develop an action plan for scaling mass timber, modular construction, and other innovative building methods
    - Expand Metro's Construction Career Pathways Program to address housing construction labor shortages
    - Map parcels that may provide housing development opportunities including public ownership, non-profit or faith-based ownership, location for use of SB8
    - Create a regional listing service for affordable housing units that includes information about availability, rent, income requirements, accessibility, and more
    - Work with county partners to improve regional portability of tenant-based long term rental assistance
    - Convene city/county staff and subject matter experts for ongoing "community of practice" conversations on topics such as clarifying codes and reducing permitting burdens for developers
    - Provide fair housing training and technical assistance to local jurisdictions and/or housing providers and property managers
    - Convene jurisdictional and industry partners to develop and lead a coordinated regional housing advocacy agenda for state and federal policy and resources
    - Develop a proposal for how to condition Metro's transportation and parks funding on jurisdictions' housing production performance as evaluated by DLCD
8. Are there any additional thoughts you'd like to share about this project?

Key takeaways from Housing Oregon coalition members via survey results:

A majority of respondents listed Metro's role in funding and investment as "highly critical" for their organization's work. Roles related to data and analysis, technical assistance and capacity building, and partnerships and collaboration were ranked as "somewhat critical."

Funding-related action ideas included:

Bonds, grants, and loan funds

- Pass a new housing bond to finance creation and preservation of regulated affordable housing (acquisition, predevelopment, reserves, pooled operations).
- Issue green bonds
- Deregulate funding to flexibly address housing insecurity and homelessness.
- Launch a regional first-generation and first-time homebuyer Down Payment Assistance Fund.
- Establish a capital improvements pool for long-term property needs.
- Create low- or no-interest loan programs to support property acquisition, predevelopment, and innovative construction methods (e.g., 3D printing).
- Fund a Regional Predevelopment and Pipeline Support Program with flexible loans and grants.
- Provide direct financial support to community-based owners and developers, ensuring stronger coordination of SHS funds for deeper affordability.
- Create a dedicated fund for PHAs or tribes to exercise right-of-first-refusal on expiring affordability properties, seeding social housing inventory.
- Support acquisition funds that enable rapid conversion of market-rate housing into affordable homes.
- Introduce insurance subsidies to reduce operating costs and support long-term sustainability.

Land acquisition and land banking

- Develop and implement a regional land bank plan, using Clackamas County's model as a starting point.
- Collaborate on land acquisition for homeownership projects with OHCS LIFT funding.

Partnerships and coordination

- Partner with nonprofit service and housing providers to engage philanthropy for housing services, rent subsidies, and organizational capacity building.
- Coordinate with housing authorities across counties to ensure sufficient rent subsidies for very low-income tenants.
- Advocate for Metro to receive its state funding allocation directly, streamlining local distribution and reducing project delays.
- Establish a Metro Housing Counseling and Homeownership Center Network to guide buyers and funnel them into DPA programs.

Policies and regulations

- Fine-tune and expedite land-use and regulatory processes to accelerate affordable housing development.
- Advocate YIMBY regulations to allow greater density and eliminate restrictive zoning controls (height limits, setbacks, lot sizes).
- Protect existing resources (like SHS), require better coordination with affordable housing, and include nonprofit providers early in predevelopment.

Innovation

- Shift from rigid, bureaucratic approaches to rapid, risk-taking actions that lower costs and speed unit creation.
- Invest in construction innovations (e.g., 3D printing) and expand career pathways to address labor shortages.

Action ideas outside of funding included:

Land identification and site readiness

- Map public, nonprofit, and faith-based parcels for housing development (including SB8 uses).
- Launch a Regional Faith and Nonprofit Land Mapping & Technical Assistance Initiative.
- Study and support land-banking approaches; convene jurisdictions and faith partners to repurpose surplus land.

Policy, regulations and collaboration

- Form a cross-departmental/agency committee (local, state, Metro) to set rules and align funding for affordable housing.
- Clarify and streamline the roles of all jurisdictions on housing and homelessness to reduce redundant planning tables.
- Establish a Regional Anti-Displacement Policy Lab
- Create consistent thought leadership space (beyond elected officials and policy staff) to chart a shared theory of change on how we approach the crisis
- Advocate for YIMBY deregulation and work with jurisdictions to address NIMBYism locally.
- Condition Metro's transportation and parks funding on jurisdictional housing-production performance, as evaluated by DLCD.
- Convene a regional consortium to leverage bulk purchasing for cost savings.

Property management and supportive housing services

- Provide targeted training, certifications, and regional standards; learn from other states' property managers.
- Fund and structure programs to support permanent supportive housing operators, including mentorship from high-performers.
- Include nonprofit housing service providers in conversations about regional rent assistance portability.
- Support the creation of mission-based, client-centric property management companies (for-profit or nonprofit).
- Pair rent vouchers with nonprofit providers or limited-equity co-ops to minimize pass-through to for-profits and invest in people.
- Curb out-of-state, profit-driven developers and level the playing field for community stakeholders.
- Design a scalable regional plan to increase production, reduce homelessness, and prioritize high-impact initiatives.

Information and innovation

- Create a single, Metro-managed website or portal (like Housing Connector) listing all affordable units and linking renters to property managers.
- Build a culturally specific affordable-housing locator and intake portal.
- Research populations in need to align new housing models and quantify the real production and affordability impacts of proposals.
- Conduct an action plan for scaling mass timber, modular construction, and other innovative building methods.
- Explore free financial training and wealth-building coaching to expand low-income households' investment channels beyond homeownership.

Market rate developers – coalition member meetings
Three separate engagement events focused on hearing from market rate developers across single unit and multi-unit housing types.

Home Builders Association

- The Metro project team co-hosted a two-hour focus group with 14 members of the Home Building Association (HBA) at their offices. This time allowed for a robust discussion about barriers to housing production, priorities around Metro's roles in housing, and ideas for actions to include in the RHCS.
- First, the group reviewed a list of barriers to housing production and access from previous engagement. Additions were made around process inefficiency and inconsistency, expensive fees, public participation, and regional perceptions of growth.
- HBA members noted that Metro could play a stronger role in legislative advocacy to continue to advocate for better policies and more resources at the state and federal level. Metro's roles providing funding and investment and technical assistance and setting regional policies were also selected as priorities for this group.
- This group coalesced around a popular idea to create a permitting and production dashboard to track regional progress towards housing targets.
- At a follow-up meeting with the government affairs group, a new idea was suggested to audit middle housing codes and policies throughout the region to better understand what approaches have been the most effective in producing needed housing.

Oregon Smart Growth

- At an Oregon Smart Growth member meeting, the project team presented an overview of the RHCS and asked members to share their experiences with barriers to housing production and to suggest ideas that Metro could take as a part of the RHCS.
- Barriers cited during the discussion:
    - Negative perceptions of the greater Portland area hurt our access to financing
    - Economic development barriers – high taxes, homelessness and safety, lack of foot traffic downtown
    - Pre-development takes too long – can Metro cut through the permitting process to speed things up?
    - Too much regulation – zoning inflexibility
- Ideas for possible actions included:

    - Acquiring existing housing instead of new construction
    - Balance carrots and sticks
        - Metro could reward cities who are making progress – more funding for housing production success
        - Withold funding for visioning, transportation, other grants, for cities that are not meeting production goals
    - Address production of all housing – don't focus on just affordable housing
    - Research messaging – how to talk about growth as a positive thing
    - Metro needs to plan for all urban reserves

Focus group with development and financial professionals with experience in innovative approaches to affordable housing outside of Low-Income Housing Tax Credits (LIHTC)
Focus group participants included representatives from the following organizations:

- Related NW
- Edlen & Co
- Community Development Partners
- Central Bethany Development
- Network for Oregon Affordable Housing (NOAH)
- ECONorthwest

Following an overview presentation of the project goals, deliverables, and timeline and Metro's role in housing, the group discussed opportunities for innovative financing for affordable housing development beyond Low-Income Housing Tax Credits (LIHTC).

- What are some models (local, national, or global) that have successfully expanded housing supply at different affordability levels?
    - Create a recycled bond program that would allow for more tax-exempt debt for non-LIHTC deals (look to California and Washington for existing models)
    - Example of trying a new strategy to support middle income housing – create a mixed income project that is a public-private partnership. In Euguene, there is a project where 50% of units are at 80% AMI levels and the rest are at market rate. There was a way to provide public money in the deal without triggering prevailing wage requirements (cities may be in a position to provide $1 million to a project, but that same project would need $5 million if prevailing wages apply).
    - Create a 501c3 whose mission is to own and develop and operate middle-income housing up to 140% of AMI. If the non-profit owns the housing, you can use 100% tax exempt bond financing at the upper limit of those rents.
- How could Metro support efforts to expand innovative housing models? What approaches could help bridge financing gaps for projects that fall outside traditional funding models? What types of partnerships or collaborations could Metro foster to advance innovation in housing? How can Metro's research and data capabilities be leveraged to support the development and scaling of new housing strategies?
    - Middle income or moderate-income housing is a big missing piece right now because it is not economically viable. Find a way to subsidize these units event if they are for higher income people – the subsidy will be shallower.
    - Provide credit enhancement for 6% bonds to help with financing gaps
    - Advocate for changes to BOLI – the $750,000 threshold for prevailing wages is 25-30 years old. Today, that amount equates to a small project and with inflation would be more equivalent to a $3 million project today.

- Build up a land bank and feed it into projects
- Continue to provide project-based vouchers. They are an efficient tool to provide affordability at scale, but are very expensive and in-perpetuity.
- Respond to challenges and changes more quickly. Solutions need to be bigger in order to make a significant change. All the efforts of the State and Metro and local jurisdictions should be coordinated.
- Create a Metro loan program for missing middle-income housing.
- Stay flexible when writing new bond language to avoid limiting how funds can be used. Stay streamlined and simplified – don't add too many bells and whistles.
- Track the inventory of housing being produced and coordinate with the State to identify necessary interventions
- Create an operational stabilization or remodel program.

Housing advocacy and provider coalitions – focus group
A dedicated focus group with representatives from a broad range of housing advocacy and service provider coalitions was convened for participants to share their experiences with barriers to housing access and affordable housing development and to suggest ideas that Metro could take as a part of the RHCS.

Focus group participants included representatives from the following organizations:
- Fair Housing Council of Oregon
- Welcome Home Coalition
- Here Together
- Coalition of Communities of Color
- Unite Oregon
- AARP

Discussion of barriers:

Operational strains
- Developments combining Permanent Supportive Housing (PSH) with affordable units often see low occupancy in the latter, eroding rent revenues and destabilizing operating budgets.
- Streamlining eligibility and reducing bureaucratic barriers will help fill affordable units and stabilize projects.

Service and delivery gaps
- Supportive services in PSH lack consistent, dedicated funding — too often they're unfunded mandates or expected to solve every resident challenge.
- Residents need more proactive, hands-on support than a referral card or hotline.
- Funders (OHCS, Metro, others) must mandate and finance resident support services within housing deals, and broaden eligible uses of credits and funding streams.

Partnership and capacity challenges
- Service plans drawn up during project bidding frequently fall apart by move-in, as the original proposers are no longer involved.
- Homelessness services and housing providers operate in silos, leaving tenants' housing and support needs disconnected.

- Providers lack the staff and bandwidth for ongoing social-cohesion efforts (weekly check-ins, peer specialists).
- Property management and social services require specialized, non-interchangeable roles.
- There's a critical need for trauma-informed property management practices.

Equity and fair housing
- Residents accessing homeless services face discrimination within the system.
- Housing policies and operations must center equity to ensure fair treatment and access.

Discussion of action ideas for the RHCS:

Preserve and convert existing housing
- Prioritize maintenance and repairs to keep current affordable units safe and functional.
- Use public funds to acquire private-sector properties for conversion to mixed-income housing or PSH.
- Collect and share best practices for preserving units with expiring affordability covenants.
- Establish a maintenance risk pool accessible to all property managers.

Reduce costs of homeownership
- Waive system development charges (SDCs) and fees to lower development costs.
- Promote innovative methods (mass timber, modular construction) and allow manufactured homes.
- Enable smaller lots and simple land divisions to expand entry-level homeownership.
- Launch programs helping renters become homeowners (down-payment assistance, shared-equity).

Funding and financial tools
- Tie bond and SHS dollars to deep, long-term affordability targets with cultural-competency and accessibility controls.
- Expand and sustain eviction-prevention funds and broaden rent-assistance eligibility region-wide.
- Create regional land banks in high-opportunity areas and direct land to affordable production.
- Support acquisition and predevelopment with low- or no-interest loans and flexible grants.

Embed community leadership and equity
- Require or incentivize community co-design in all publicly funded projects.
- Define "Affirmatively Furthering Fair Housing" to include co-governance, culturally specific services, and data equity.
- Mandate displacement-impact reports for new developments, with binding mitigation plans.
- Fund community-led research and engagement as part of fair-housing strategy.

Prioritize resident services

- Fully fund on-site resident services as an integral affordability component, not an add-on.
- Support landlord liaison programs to assist tenants and reduce evictions.
- Defer additional PSH or mixed-housing projects until a proven operational model is in place.

Focus group with urban Native community-based organizations
A final focus group with representatives from several organizations that serve urban Native community members in the region was held at the Metro Regional Center in partnership with the Tribal Affairs team. The group was asked to share their experiences with helping their community access housing and to share culturally responsive ideas that Metro could take as a part of the RHCS.

Focus group participants included representatives from the following organizations:
- Native American Youth and Family Center (NAYA)
- Native American Rehabilitation Association (NARA)
- Future Generations Collaborative
- Native Wellness Institute

Following a brief presentation about Metro's roles in housing and an overview of the RHCS goals and timeline, participants discussed the unmet housing needs in the communities they serve.

Permitting and flexible housing options
- Zoning and permitting must accommodate non-traditional dwellings (teepees, tiny homes) to meet diverse preferences.
- People on the spectrum often prefer standalone, small-scale units rather than large apartment complexes.

Trauma-informed environments
- Many supportive housing sites claim trauma-informed design, yet still pose challenges for residents.
- Healthy, sustainable materials, gardens, and gathering places support neural and generational trauma recovery.

Resident support
- On-site peer mentors or community health workers are essential — but hard to fund — to help residents with home maintenance, mental health, and addiction support.
- Projects should feature culturally resonant art, play areas, and gardens that welcome Native and other marginalized communities.
- All staff must understand and actively dismantle white supremacy within housing operations.

Financial considerations
- Traditional affordable-housing financing pressures projects to set rents too low or underfund resident services.
- Finance models need flexibility to serve out-of-state clients (e.g., NAYA) and ensure long-term quality property management.

- Grants and low-interest loans should cover both development and the full spectrum of resident supports.

Resident services and safety

- Service needs (mental health, peer support, cultural programming) consistently exceed available funding.
- Security must focus on culturally appropriate safety measures rather than enforcement — rethinking property security to be functional and welcoming

Community connection and engagement

- Housing designs should facilitate social cohesion and cultural practices, giving residents ways to connect with their heritage and community peers.

Participants then discussed ideas for priority actions related to Metro's roles in housing production, coordination, and access. Katie McDonald, Metro's tribal liaison, suggested Metro could help these organizations make a connection with local jurisdictions through implementation of the actions in the RHCS.

Creative solutions

- Establish a tiny-home village in Blue Lake Park, employing residents as park staff
- Replicate this model in other city parks to provide affordable homes and on-site jobs
- Prioritize smaller developments (10–12 units) for faster, community-oriented impact
- Collaborate with closing churches to acquire underused land for new housing stock
- Tie green construction to regional resilience and emergency preparedness goals

Collaboration

- Break down silos by partnering with municipal departments, non-profits, and volunteer networks
- Team up with groups like Housing Solidarity PDX to leverage community-driven homeownership programs.
- Advocate at the state level for housing projects that use environmentally sustainable materials (e.g., mass timber)

Culturally responsive solutions

- Donate land to establish Native-led neighborhoods as a form of reparations
- Increase production of housing that's culturally tailored and supportive for Indigenous and other marginalized communities

Additional presentations to regional organizations and committees

Purpose:
As information about the RHCS was shared to jurisdictional and community partners, some organizations requested additional presentations to their membership. The project team responded to each request which resulted in six additional meetings to share information and answer questions about the project, hear about barriers that each group was facing, and solicit ideas for potential actions.

Meeting list and feedback:
Washington County Planning Directors, April 3, 2025

- The project team introduced the RHCS and provided an overview of requirements and approach
- The group asked questions about the proposed scope of work and engagement plan
- Following the presentation, participants discussed barriers they face at the local level and suggested preliminary ideas for Metro to support local efforts
    - Providing regional level research about the past harms of discriminatory housing actions
    - Working to recruit developers with innovative housing ideas into the region
    - Seeing Metro more involved with state level rulemaking to represent the needs of the local jurisdictions
    - Addressing workforce shortages for building inspectors and other works in the housing pipeline

1000 Friends Land Use Leadership Initiative (LULI), April 19, 2025

- The project team introduced the RHCS and provided an overview of requirements and approach
- The group asked questions about the proposed scope of work and engagement plan

Clackamas County Coordinating Committee (C4 Metro Subcommittee), November 24, 2024, May 14, 2025, July 16, 2025, October 15, 2025

- The project team introduced the RHCS and provided an overview of requirements and approach
- The group asked questions about the proposed scope of work and engagement plan
- Following the presentation, participants discussed barriers they face at the local level
    - Barriers of the market – it can be hard to find developers to build what the jurisdictions are mandated to produce
    - Impression in the private development community that government gets in the way more than anything else
    - Infrastructure needs and other practical components of development are not sufficiently financed
- At the July meeting, members reviewed the preliminary list of evaluated action ideas and provided input related to their areas of strong support
    - Important role of Metro to convene jurisdictions and coordinate with transportation and jobs planning
    - Support for the ideas of land banking and meeting annually with Metro Councilors to discuss unique needs of each individual jurisdiction
    - Continue to find more ways to fund infrastructure

- A final update in October reviewed the proposed list of actions for adoption and highlighted preliminary public comment themes. Members flagged the need of many local jurisdictions for more capacity, both to implement new programs and incentives being passed at the state level and to work on planning efforts in their communities concurrently. Technical assistance and planning grants are important for smaller cities without dedicated housing staff and for larger cities who could still use help in accelerating their housing work and connecting to additional funds and programs.

Washington County Coordinating Committee (WCCC) and WCCC Transportation Advisory Committee, July 10 and July 14, 2025; October 2 and 13, 2025

- The project team presented an overview of the project purpose and a summary of the work that had been completed so far including engagement and evaluation. Participants heard about the highest scoring actions from the evaluation period and shared their thoughts and priorities.
- Overall, the group felt that their ideas were represented in the narrowed list and agreed with many of the actions that were supported in the Implementers Work Group and in MTAC, including the new affordable housing bond, funding for infrastructure, and supporting work happening at the local level.
- At the project presentation in October to discuss the proposed list of sixteen actions for adoption, some questions came up around clarifying Metro's roles in actions that support supportive housing services. Members wanted to ensure that actions would capture the diverse needs of the cities and their approaches to housing production and access in their local context. The discussion ended with some inquiries about data collection for permitting and brownfield sites. Otherwise, the groups were primarily supportive of the version of the final draft RHCS that was released in September for public comment.

Internal Metro staff work sessions

Purpose:
Metro hosted two discussions with internal staff to provide additional institutional context to the development of the RHCS and to ensure coordination and alignment with intersecting Metro projects and programs. Internal Metro staff experts shared their input on the list of strategies and the evaluation framework and provided additional insights to ensure the final action list reflects accurate budget and staffing impacts, identifies the right teams for implementation, and coordinates with ongoing work programs as needed.

Approach and feedback:
Meeting #1: Suggest potential actions and strategies; inventory of measures already implemented by Metro to promote the development of needed housing, March 11, 2025

- Staff from across Metro departments weighed in on the draft deliverable inventory of measures that Metro has taken to support housing production and equitable access
- The discussion transitioned to brainstorming ideas for the strategy based on expertise:
    - Embed historical due diligence activities in our work
    - Explore new regulations to require local jurisdictions to amend codes that are barriers to housing production
    - Provide more resources as incentives to implement best practices – like middle housing development, connections to 2040 grants
    - Metro can continue to provide a point of connectivity for jurisdictions and to facilitate everyone to learn from one another
    - Funding will be one of the biggest challenges in the coming years – role for Metro to convene funders regionally
    - Good possibility to implement land banking
    - Lowering the cost of production would allow for more housing to be produced using the same resources – connection to modular development or purchasing materials at scale. Could Metro help sponsor a collaborative insurance pool? Insurance cost is another huge barrier.
    - Labor shortages are preventing the region in reaching our goals – look at Minneapolis/St. Paul example and how we can enhance the construction to careers pathways program
    - Acquire existing market rate buildings and convert to affordable housing. Kind of a land banking strategy.
    - Use this process to build up agreement about levels of affordability amongst our jurisdiction partners. TOD program is doing great with proof of concept.
    - Has there been prior work to collect learnings around the strategies that advance racial justice? Will there be equity priorities? Seeing that there are 4 checkpoints in this process for the equity framework. Is there space to share that out with the engagement and wrap those learnings in an ending product.

Meeting #2: Review evaluation framework and full list of action ideas sorted by Metro's roles in housing, May 6, 2025

- The project team presented the proposed evaluation approach to the team for feedback

- Participants split up into four separate groups to review the running list of action ideas, sorted by the nine roles that Metro plays in housing work. The groups flagged ideas that needed more information, would be outside of Metro's scope of authority, or are duplicative to work being led by other organizations. Ideas that made sense for Metro to continue exploring were highlighted for evaluation.
- After some time working separately, the group came back together to discuss their primary takeaways with the rest of the attendees, focusing on answering these questions:
    - Do you have suggested edits to this preliminary list of strategies?
    - Do you have ideas for additional strategies, based on these categories of Metro's roles?
    - Where do you see challenges for feasibility or implementation?
- Key feedback:
    - Partnerships and collaboration – Some ideas need further explanation from the Implementers Work Group. Ideas about aligning partners around messaging is an opportunity for Metro to share more about our projects and success stories.
    - Best practices – Really need to consider if Metro is the right organization to implement each idea – do we have the right staff or expertise? Is another organization leading this work already?
    - Funding and investment – Many ideas are overlapping and related and some ideas are written more like a goal than as a strategy – opportunity to consolidate ideas and add more details. Add a new idea about improving voucher policies across the region.
    - Data and analysis – Idea to create indicator comparisons across metro regions nationally so we can compare our progress; idea to collect data of time series of certain indicators to understand how conditions have changed over time
    - Communication and engagement – Idea to convene standing working group of partners in the region focusing on housing or to host panel discussions from leaders from other jurisdictions, including nationally and globally
    - Regulation and regional policies – Many of the existing ideas are not realistic or are not well positioned for Metro to undertake to meet the goal of the strategy. There's an opportunity for Metro to look at our own code and find potential areas to improve, simplify, or relax regulations. Jurisdictions can struggle with ambiguity of our terms.
    - Technical assistance and capacity building – Investing in capacity and partnerships with industry could be its own category of strategies. If we provide that technical support, new staff would be needed for support. Possible to create presentations for 5-6 topics that Metro is strong on that could be shared as resources for partner jurisdictions.

In August, the short list of proposed actions for the draft RHCS was shared back with all participants from these cross-departmental meetings to allow for another round of feedback. Additional small meetings occurred with specific subject matter experts before the release of the public discussion draft to finalize the action description details and align expectations around implementation.

Racial equity

Racial equity framework check-ins
Purpose:
The RHCS applied the Metro Racial Equity Framework derived from Metro's Strategic Plan to Advance Racial Equity Diversity and Inclusion (SPAREDI) to prompt reflections at key project milestones. These check-ins dedicated time for the project team to discuss the racial equity outcomes and impacts of work related to the development of the RHCS and adjust the approach or activities accordingly. The framework was modified from its original form to meet the specific needs of the RHCS and address the areas of work like Affirmatively Furthering Fair Housing and a focus on data justice.

Approach and feedback:
Check-in #1: Engagement plan and scope of work, December 17 and 18, 2024

- Discussed engagement approach and the right balance between hosting new events versus collecting information and feedback from recent previous engagement.
- Reviewed scope of work for areas of opportunity for data analysis, qualitative data collection, and engagement activities that would ensure diverse perspectives and needs were reflected in the RHCS

Check-in #2: Racial equity vision statement, principles, and process goals, March 14, 2025

- Established project specific racial equity process goals and guiding principles
- These goals were split into two categories – guiding principles that reflected the project's overall intended outcome, and process goals that reflected the team's approach to completing the work

Check-in #3: Preliminary engagement results and early themes; evaluation framework, May 7, 2025

- Discussed data analysis, presentation, and sources to balance margins of error with disaggregating data when possible to provide more representation. Thought through ways to improve data collection and analysis for the future RHCS process.

Check-in #4: Final strategy, implementation, and accountability, October 9, 2025

- Planned for accountability, tracking and measuring progress, reflected on areas for improvement, and discussed strategy to report back to engaged parties.

Project Vision
Create a roadmap for actions Metro will advance to promote housing production, coordination, and equitable access. This will be achieved by lifting up emerging best practices, coordinating and aligning local strategies, and addressing critical gaps that can be filled at the regional level.

Equity Guiding Principles
Promote the production and maintenance of housing that is of diverse types, high-quality, physically accessible, and affordable

- Support the development and preservation of affordable housing, including deeply affordable, permanent supportive housing
- Identify local or regional barriers to developing housing, including financial, regulatory, or capacity-related constraints

Promote access to economic opportunities, services and amenities

- Promote community wealth-building opportunities by decreasing rent burden and removing financial barriers to home ownership
- Expand contracting and workforce development opportunities in the housing production pipeline
- Ensure policies, funding, and programs prioritize access to high quality, stable housing for historically marginalized communities
- Coordinate strategies that help stabilize communities

Promote Fair Housing

- Address significant disparities in housing needs and access to opportunity
- Promote integrated and balanced living patterns with access to opportunity and housing choice
- Foster and maintain compliance with civil rights and fair housing laws

Equity process goals

Overall project

- Apply a racial equity framework and principles to our research, technical analysis, engagement, and overall strategy development
- Ensure accountability to our racial equity goals by evaluating our progress throughout the project and following completion of the strategy
- Reflect on internal processes and identify improvements for the next Regional Housing Coordination Strategy
- Apply an equity lens to the decision-making process

Evaluation framework

- Measure fair housing and racial equity impacts through the evaluation criteria
- Assess potential impact towards closing racial disparities in housing access and stability

Data

- Apply an equity lens to data collection, analysis and presentation

Engagement

- Coordinate with jurisdictional partners, aligning strategies across agencies and ensuring a strong regional approach to equitable housing solutions
- Ensure the experiences, priorities and expertise of community of color shape strategy development and implementation

Committee on Racial Equity (CORE)

Purpose:

Metro's Committee on Racial Equity brings together a diverse group of community advocates to advise Metro Council to advance racial equity across Metro's work areas. Specifically, the committee supports Council by:

- Advising on and evaluating the implementation of the Strategic Plan to Advance Racial, Equity, Diversity and Inclusion (SPAREDI)

- Providing community oversight and opportunities for Metro to have greater accountability to the community on the implementation of the Strategic Plan and its commitments to racial equity
- Maintaining relationships and building trust with communities of color
- Providing a concrete mechanism for keeping Metro accountable to its racial equity goals
- Communicating Metro's progress in implementing the Strategic Plan and other racial equity strategies.

Presenting the RHCS to CORE for their input on the application of the racial equity framework was an effort to ensure that equity considerations and reflections were woven throughout the project. Additionally, providing a project overview early in the project and asking CORE for their desired level of involvement allowed for responsiveness to their interests and enough time to make a plan that reflected their decisions.

Approach:
Meeting #1 – Project overview, presentation of the equity framework, gauge CORE interest in future project involvement, February 20, 2025

- Staff developed options for CORE's level of involvement, providing a selection between one and three additional meetings based on their level of interest in the project.
- CORE members selected the option to have one more additional meeting focused on engagement updates, the proposed evaluation framework, and results from the racial equity framework check-ins. Additional written updates about the development of the draft report and technical analysis would be provided to the committee as requested.

Meeting #2 – Project deliverables and engagement update, review of evaluation framework, review of preliminary list of actions, June 26, 2025

- CORE members heard a project update and key takeaways from recent engagement, reviewed details of the evaluation framework and the preliminary list of actions.
- One CORE member noted that the language used in certain evaluation criteria categories could be overpromising the impact of our actions on addressing access and affordability challenges. This observation resulted in additional language in the evaluation criteria section explaining that the evaluation language is connected to Oregon's Fair Housing Issue Areas and intended to help integrate outcomes that Affirmatively Further Fair Housing in the RHCS. The criteria reflect the goals that the strategy strives to meet through the combination of proposed actions taken together over the next six years.
- The group was in broad agreement that the project was moving in the right direction, but provided some comments highlighting the importance of transparency, accountability, and open communication with CORE during the implementation of the RHCS. These efforts will help ensure that the next RHCS is reflective of lessons learned and does even more to move the needle for housing production, affordability, and choice.
- CORE members were notified about the publication of the draft RHCS and invited to participate in the public comment period to provide any additional feedback.

Decision-making

Metro Council will approve the final Regional Housing Coordination Strategy (RHCS) via Resolution by December 2025. Following this adoption, staff will submit the final Strategy to the Oregon Department of Land Conservation and Development (DLCD) for review and approval.

Prior to the Council's adoption, the Metro Policy Advisory Committee (MPAC) made a recommendation about strategy approval and the final draft RHCS was shared with interested parties for a 30-day public comment period.

Metro Technical Advisory Committee (MTAC)
Purpose:
The project team presented regularly to MTAC to provide technical feedback as the strategies were developed and evaluated and shared their feedback and recommendations to the project staff and MPAC.

Approach:
Meeting #1 – Introduce the RHCS, October 16, 2024

Meeting #2 – Presentation of the work plan and engagement plan, March 19, 2025

Meeting #3 – Preliminary list of strategy ideas, draft evaluation framework, May 21, 2025

Meeting #4 – Evaluated list of actions, July 16, 2025

Meeting #5 – Review draft RHCS, October 15, 2025

Meeting #6 – Recommendation to MPAC, November 19, 2025

Metro Policy Advisory Committee (MPAC)
Purpose:
MPAC followed the development of the RHCS and brought the perspective of local jurisdictions and relevant organizational leadership to recommend the final strategy to Metro Council.

Approach:
Meeting #1 - Introduce the RHCS, November 13, 2024

Meeting #2 – Presentation of the work plan and engagement plan, March 19, 2025

Meeting #3 – Engagement themes, Metro's roles in housing, preliminary strategy ideas, May 28, 2025

Meeting #4 – Evaluated list of actions, July 23, 2025

Meeting #5 – Review draft RHCS, October 22, 2025

Meeting #6 – Recommendation to Metro Council, November 19, 2025

Metro Council work sessions and meetings
Purpose:
Metro Council is the primary decision-maker regarding the adoption of the RHCS and will take action to adopt the plan by December 2025. Project staff periodically updated Council on the strategy development to provide findings from engagement and give Councilors the opportunity to shape the plan and voice their concerns and priorities along the way.

Approach:
Work session #1 – RHCS overview, present work plan and engagement plan for feedback, February 18, 2025

Work session #2 – Engagement update, Metro's roles in housing, preliminary list of strategy ideas, May 20, 2025

Work session #3 – Final evaluation framework, evaluated list of actions, July 29, 2025

Work session #4 – Receive MPAC recommendation, December 2, 2025

Meeting to adopt Resolution – December 18, 2025

Public comment period

Purpose:
The public comment period provided time for dedicated review and comment on the draft RHCS and lasted from September 15 – October 15, 2025. The draft RHCS, technical appendices, and executive summary were posted to the project web page. This provided the general public access to the full suite of project deliverables. Additional comments could be submitted via project email, phone number, or feedback survey.

Final presentations to review the draft RHCS were made to county committees based on invitation. The project team presented to the Washington County Coordinating Committee (WCCC), the WCCC Transportation Advisory Committee, and the Clackamas County Coordinating Committee (C4). Some public testimony was submitted via email from elected officials representing the City of Portland, Multnomah County, and Washington County.

Questions from the public comment feedback survey:

- How satisfied are you with the list of actions in the Regional Housing Coordination Strategy?
- Are there specific proposed actions you strongly support more than others?
- Do you think that any critical actions are missing from the proposed list of actions?
- Do you have suggestions for Metro's implementation of this strategy over the next six years?
- Do you have any other comments to share about the draft RHCS?
- Are you responding on behalf of an organization?
- What county is your organization located in/which county do you live in?

Feedback from the public comment survey and meetings focused on the draft RHCS (Implementers Work Group, MTAC, MPAC, C4 and WCCC). Some notes of support reflect review of the actions after the evaluation process.

ID	Action	Support and public comments
1	Create new housing **pre-development and technical assistance** funding for site specific housing development.	**SUPPORT:** Implementers Work Group Top 5 **Survey:** Pre-development grants/loans are best suited to be implemented by a gap funder to help with loan conversation. Adding another funder to the mix creates complications. In addition, the state currently funds pre-development but lacks resources. However, site-specific pre-development could mean more than direct funding to developers with identified land and this feedback is specific to pre-dev grants to affordable housing developers.
2	Explore opportunities to expand **resources available for brownfield cleanup.**	**SUPPORT:** MTAC Top 5 **Survey:** Try to complement rather than duplicate existing programs (e.g. the brownfield remediation fund through Business Oregon).
3	Funding and support for **local Housing Production Strategy implementation**	**SUPPORT:** Implementers Work Group Top 5
4	Consider developing a **regionally available pool of housing professionals for technical assistance** to smaller jurisdictions to support planning and implementation related to housing production, affordability and choice.	**SUPPORT:** Support from Implementers Work Group **C4 Metro subcommittee**: Lots of new programs and incentives from the State – staff could use support in connecting to these programs and understanding how they can be used in the local community This would be helpful for jurisdictions of all sizes. Larger jurisdictions are often trying to work on simultaneous planning efforts but can't due to limited staff capacity. Additional resources for planning support could help them too.
5	Evaluate lessons learned and effective practices from implementation of the 2018 Affordable Housing Bond; research models and best practices and develop and share recommendations to	**SUPPORT:** Idea generated from fair housing consultant; additional support for communications and messaging from MPAC and through previous Metro housing-related engagement **Survey:**

	strengthen fair housing and equitable access to affordable housing.	Evaluation of voter-approved and taxpayer funded programs is a necessity. However, the additional evaluation identified are unlikely to increase access to affordable housing and may be administratively burdensome for implementing partners and developers. In addition, HUD requires Participating Jurisdictions to review fair housing and access broadly. Lessons from the bond could support the industry more broadly – understanding the capital/operation costs, ownership structures, funds leverages, lease up demographics, and equity in contracting results (including buy-ups if any). In addition, Metro should hire an independent entity to evaluate the Metro Land Acquisition Program to determine effectiveness and overlap with the State Land Acquisition Program. **MTAC:** There is a huge messaging and communication opportunity here to share the successes of the bond with the community when its impact can be easy to miss
6	Building upon lessons learned and best practices from the 2018 bond and TOD grant program, **strengthen requirements and incentives for community participation and co-design in the development and operations of affordable housing**. Identify opportunities for Metro to support capacity building for community based and culturally specific organizations to participate in affordable housing development and operations.	**SUPPORT:** Support from focus group with providers and advocates **Survey:** Metro should not add requirements for affordable housing developments or explore additional requirements given the limited capacity of affordable housing developers and operators as our field navigates challenges with the federal government. These requirements would need to come with local tools or investments, which Metro is not able to support without a new bond. In addition, a clear fiscal analysis should be complete. **MTAC:** There is a huge messaging and communication opportunity here to share the successes of the bond with the community when its impact can be easy to miss
7	Research, evaluate and identify opportunities to advance **innovative and non-LIHTC approaches to housing** development/construction, financing, and ownership, including:	**SUPPORT:** Strong support from survey respondents; support from financers focus group; support from advocates and providers; support from Implementers Work Group **Survey:**

	• Modular and manufactured housing and cross-laminated timber and smaller or expandable designs • Social housing and alternative homeownership models, including CLT and resident-owned multi-family housing models • Innovative financing approaches to support development of smaller scale (<20 unit) building types, including PSH Assess barriers and opportunities and identify opportunities to pilot or scale up innovative approaches; approach would include market analysis, best practice research and engagement with public, private, and philanthropic partners to support coordinated research, development and investment strategies.	This feels like a worthwhile research effort, but it should not be limited to non-LIHTC financing. The change of the PAB rule from 50% to 25% could lead to new strategies to best pull down federal tax credits. In addition, any research of innovative ideas should include known challenges and obstacles to first-time efforts (as they often increase costs in pilots). **MTAC:** Support for innovative construction materials but would see that as having a high impact rather than medium PHB is exploring social housing – make sure to coordinate The crux of this action is how to implement the innovative approaches at scale – smaller, human scale development requires more subsidy for construction and longer term management
8	Conduct an **assessment of middle housing** in the region to identify best practices and common barriers.	**SUPPORT:** Support from HBA government affairs group **Survey:** Consider removal since legislation around middle housing is constantly changing. If it is not removed, we recommend moving its implementation further than 2026. What is the connection to the state MiRL program? **Implementers Work Group:** Interest in adding to the assessment more information about who is living in these units and their average price points to better understand who this development type is serving
9	Develop an **affordable housing stabilization strategy** to respond to industry-wide challenges due to rising	**SUPPORT:** Idea cumulated from several engagement conversations with affordable housing developers, operators, and service providers

	operational costs, increased resident needs, and lack of coordination/alignment with homeless and supportive services.	**Survey:** Explore pairing RLRA vouchers with buildings in need of additional subsidy and/or with vacant units. This is certainly need, but the challenges are not a Metro area issue but an issue across the state and nation. We disagree with the connection to production as it relates to land use planning, and implementation planning would have to occur with the funders of the affordable housing. For the most part, that would be OHCS. **Implementers Work Group:** Noted the importance of strategies focused on existing affordable housing preservation and not just production focus
10	**Evaluate and improve Metro SHS funded Regional Long Term Rent Assistance (RLRA) policies and implementation** to address portability and to connect available vouchers with vacant regulated affordable housing units.	**SUPPORT:** Housing Oregon survey responses **Survey:** It is not appropriate to include this recommendation the RHCS. It repeats myths, that RLRA isn't portable, and did not appropriately include implementation partners and SHSOC in the development of this action. While evaluation of the RLRA program would be a value to the SHS program, and is consistent with Metro's role in the SHS program, the related jurisdictional partners have not been sufficiently engaged to inform the development of this strategy that proposes to improve RLRA. The potential areas of evaluation outlined in this strategy don't match County implementor expertise concerns and questions that could be improved through the proposed evaluation and policy improvement process. **Multnomah County Commissioner Shannon Singleton:** While this has a low impact on housing production, it is a critical reform needed for SHS and will have a high impact for that funding and programs.
11	Develop a centralized **regional affordable housing listing service** to support housing navigators and seekers in connecting with information about available units that meet their needs, with an initial focus on building out a	**SUPPORT:** Interview with Community Visions and support from the focus group with housing advocacy groups and service providers **Survey:** This is a gap in our field and aligns well with the work of the TCPB. However, it is out of scope of the RHCS. WashCo is interested in being a partner as Metro

	portal to assist housing navigators working with households in the homeless services system.	considers the idea of connecting low-income people with affordable housing (beyond those experiencing homelessness). This will be extraordinarily difficult to update and maintain.
12	Develop a proposed plan for a **regional land bank** that outlines the necessary legal framework, governance structures, and operational guidelines to support cross-sector collaboration and investment. Define clear policy priorities, including considerations related to Affirmatively Furthering Fair Housing, market conditions and funding opportunities.	**SUPPORT:** Strong support from survey respondents; support from Habitat for Humanity and Proud Ground; Implementers Work Group Top 5; MTAC Top 5; MPAC support **Survey:** Coordinate with state and city-level land-banking strategies. Consider the state's Home Start Lands strategy in which the sale of some state properties funds a subsidy pool for future housing on state owned lands. Include an evaluation of the Metro Land Acquisition Program by an independent party. Evaluate land banking strategies against revolving loans for land acquisition (consider cost efficiencies of both approaches). Consider alignment with the state funded LAP. WashCo is an eager partner as you develop this idea. **Multnomah County Commissioner Shannon Singleton:** I think it is a critical tool that we can use to also address short term needs (like emergency shelter) until development is ready to begin.
13	Explore how to create a **permitting and production dashboard** to track production trends across the region.	**SUPPORT:** Home Building Association focus group support; MTAC and MPAC support **Survey:** In our experience, public works permitting is subject to much more delay as compared to building permits, so make sure to parse these two phases out. Benefits of this action are unclear. The proposed dashboard seems to duplicate information the state will track and include in its Housing Production Dashboard. Can the RHCS clarify any differences/unique benefits? Not needed and will end up creating an additional burden on local jurisdiction staff who are already heavily burdened.

		MTAC: Hear anecdotes about permitting timelines and costs dissuading developers from working in certain communities – would like to better understand if that's true and how Metro can provide support to alleviate those challenges Weak data infrastructure currently to compare jurisdictions – HBA is connecting with jurisdictions to understand what data they have and how it can be used to compare across a few basic categories as a starting point **Implementers Work Group:** Concern that this action could be burdensome to staff and duplicative of work being done through the state
14	Begin a Metro **Urban Growth Management Functional Plan audit and cleanup** of housing-related titles to align with new State requirements and regional priorities as identified in the 2027 Future Vision.	**SUPPORT:** Internal staff idea with general support from Implementers Work Group and MTAC **MTAC:** Can this also look at Title 14 requirements and streamline to save money that could be used towards infrastructure funding
15	Convene jurisdictional partners to develop a **coordinated legislative agenda for state and federal housing/homelessness resources**, including a regional priority to identify funding for infrastructure. The agenda would be updated as needed to meet changing regional needs (or every six years) and guided by appropriate Metro advisory committees for land use, housing and homelessness. Convene with Tribes that are interested in housing development to support urban Native populations to learn about their tribal priorities that can be addressed through Metro's work.	**SUPPORT:** Strong support from survey respondents; Implementers Work Group Top 5; MTAC Top 5; MPAC support; support from HBA focus group **Survey:** How would this complement existing coalitions (Housing Oregon and Housing Alliance)? We have concerns regarding Metro staff capacity as well as the implementation timeline for some of the actions. We recommend starting work earlier and phasing it in over time. This would enable the region to start building alignment towards this goal in the near term so that ultimately we can build up to a fully coordinated legislative agenda. This coordination makes sense. The action references advisory committees, and WashCo remains uncertain about the future of SHS/AHB governance. We don't read this action to move governance but wanted to note that confusion.

		Implementers Work Group: Suggestion to separate into three actions: infrastructure funding support for housing; homelessness resources; Tribal priorities **MTAC:** Could this action begin sooner to allow time to be organized and implemented before the next long session? Can the impacts of prevailing wage be studied further and better understood? Consider going beyond infrastructure facilities funding – can this effort look at taxation structures? **Multnomah County Commissioner Shannon Singleton:** It may be inferred in #15 that we will have a regional housing development prioritized list for State budget allocations, I think it is critical to call this out separately and distinctly. The current practice of every project competing individually does not allow us to leverage funds or move forward geographic or population development priorities for our region. We coordinate to this level for transportation projects and desperately need the same for housing infrastructure projects.
16	Consider the viability and feasibility of **new funding for affordable housing development and preservation**. Ensure that any new funding framework is informed by public opinion research and engagement with public, private and nonprofit leaders as well as analysis of housing needs and market conditions, and lessons learned from the 2018 regional housing bond and best practices from other regions;, including evaluating opportunities to strengthen racial equity, fair housing and community resilience outcomes and alignment/integration with homeless and supportive housing services.	**SUPPORT:** Strong support from survey respondents; Implementers Work Group Top 5; MTAC Top 5; Strong support from focus groups with advocates and providers **Survey:** Put a new regional housing bond on the ballot, and use it to finance missing options, definitely including limited equity housing cooperatives, and possibly also other models. This is the most impactful action to increase affordability in our region. Metro should consider the impact of the Land Acquisition Program and whether to consider it. Metro should also provide guidance on any cost savings or benefits of property acquisition and conversion versus new builds. PSH and low-income requirements should include analysis of rental vouchers as PHAs fall into shortfall and RLRA is fully leased up. **MTAC:**

		Important that this is informed by impactful research (not just public opinion research) Is it possible a future bond could serve income bands in between the 30% and 60% levels dictated by LIHTC? There is often a large need for people who fall between those income thresholds

Survey feedback about missing actions

- HCAs done by cities/counties seem disconnected from Metro's work – how can Metro build on the work being done by cities and counties to inform future decisions?
- Stand up a fund specifically for predevelopment, development, and awareness of limited equity housing cooperatives
- Siting economic development with housing – provide oversight for the six TIF districts that are going to be enacted over the next 20 years so they can be leveraged to make as much of a dent in the backlog as possible – advocate for changing the URA rules at the state level
- Add TOD to the land banking action idea
- Housing bond funds seem to have been used for only buildings with affordable units instead of mixed income developments – are we concentrating poverty once again – could the funds be used in mixed income buildings or developments – how can we replicate New Columbia in North Portland?
- Talk more about the relationship between ownership as a source of equity and the rising cost of housing – when we treat housing as a source of equity, housing becomes more unaffordable. We need more affordable housing.
- Missing actions that propose recycling of capital – the housing bonds have been successful, but the resources are finite and now exhausted. Could there have been a more strategic model that recycles capital throughout the region in a way that funds can be managed more like inheritance rather than exhausting it. It could grow and have a multiplier effect over time – the next funding source will need to model out more creative capital recycling so that this can be a virtuous cycle

General feedback about Metro's roles

- The RHCS defines broad roles for Metro that overlap with Public Housing Authorities, the State's Housing Finance Agency, and new and longstanding programs. The actions read as a wish list from the development community, all great things that the industry needs. However, some of the actions are better suited for the state or a PHA to administer. These conversations about broader housing strategy should be distinct from the onerous timelines of OHNA implementation, at least for this next draft as Metro works to meet state timelines, to allow for role clarity conversations with all partners.
- Metro currently proposes its role as supportive and collaborative. Avoid adding reporting requirements/workload for local jurisdictions beyond what is already required for state reporting. It is also important to avoid duplication of reporting requirements at the state and regional levels.
- Could Metro produce an infographic of sorts that describes the roles and responsibilities of all the various local governments and agencies in the housing world? It is extremely confusing, even for people within the housing planning world. It's hard to assess whether some of the actions in the draft plan are needed when we don't know what other efforts are being made at the county level, city level, or state level. And by nonprofits and the federal level, for that matter. For example, the affordable housing listing service - what is the problem this will solve, and are there

others that are already working to solve it? Can you paint the picture for all of us so that we can understand how we already are coordinated, and where gaps and disconnects might still exist?
- Gather all the committees, councils, oversight, advisory board from Multnomah County, the City of Portland and the Metro Regional Government and come together as one to discuss (maybe two times a year) all the policies they are worked on.
- Telling the story of our region to our region is so important. We need to know who we are and what we stand for as we move into the future. This is a heavy lift, and something we need to come up with the culture to make happen. People are here, and more are coming, as a result of climate disruptions. And we need to reckon with all of it.

<u>Feedback about RHCS focus and implementation</u>

- Ensure that the strategy and implementation include significant focus on both affordable housing and unlocking private, market rate housing development.
- Prioritize actions that you assess to have the greatest impact on housing production.
- Focus on the strategies that have the most impact first in addressing housing affordability and stability first.
- Spend more time and energy on the direct funding or TA programs, and less on the studying and convening roles. Studies are useful, but at this point in time our industry knows the challenges and has been calling for direct help for years. Funding is limited and costs are rising, so the actions that are most critical are those that can have tangible outcomes for residents and organizations.
- The state has launched new programs (Moderate-Income Revolving Loan program) and revamped application processes that could benefit from a coordinated regional strategy. Some actions described are clearly efforts to support the region in drawing down federal and state funding for housing development.
- There seems to be need for a regional coordinated jobs strategy to support the increase in housing production. We need to ensure that people can afford to purchase and remain in the homes that are being built.
- Can there be a bigger investment in workforce development in the trades to increase labor capacity?
- MPAC should be encouraged to provide direction to Metro to focus on the items where Metro has either a high or medium impact on development of needed housing.

Lessons learned for the next RHCS

Following the completion of the draft RHCS and the end of the public comment period, the project team gathered to discuss lessons learned, celebrate what worked well, and identify concrete changes that would improve the process of developing and implementing the next RHCS.

Applying the racial equity framework
The team agreed the racial equity framework based on the Strategic Plan to Advance Racial Equity, Diversity and Inclusion (SPAREDI) had been a central component to the evolution of the RHCS. Starting the process with this lens in place gave time for the project team to slow down and reflect on work while it was ongoing and adjust the approach as needed, from the scope of work and engagement plan to evaluating the actions and discussing plans for implementation. The framework helped to center fair housing considerations in both the evaluation criteria and in understanding the potential impacts for each proposed action.

The project team noted the cadence and timing of meetings felt mostly effective but recommended a small shift - begin future efforts with a meeting specifically to establish project racial equity goals before jumping into scope and engagement planning. Having the project equity goals and objectives clearly articulated at the outset and revisiting them to refine as the project moves forward would make the framework feel less abstract and more actionable.

The team also found that tailoring the racial equity framework to the RHCS context produced better conversations and clearer guidance throughout the project. Planning specific reflection time during development of the project schedule helped the team be more accountable and ensure this time did not fall off the radar.

Data collection and analysis
While the project team felt effective in meeting the requirements of the RHCS, in future processes there is an interest in strengthening internal capacity to analyze new data sources. Some timing mismatches between data publication and the analysis meant that not every desired data set was available. Additionally, in the next RHCS process, the data analysis could be more explicitly connected to the justification of each action and the potential action impacts, both demographically and geographically.

Internal engagement
Internal coordination and collaboration within Metro was very successful. The Housing and Planning, Development, and Research Departments shared responsibilities with outreach, analysis, evaluation, presentation, and review. This approach ensured that the right subject matter experts had a chance to weigh in on the strategy, especially when discussing the implementation steps, to make sure the final list was feasible within the next six years.

During the next RHCS development, the project team should continue collaborating early on with the Government Affairs team to ensure alignment with other regional and state coordination and to connect with the Tribal Affairs staff members to determine the right approach to engaging Tribal Governments and urban indigenous community-based organizations.

Metro committees were regularly updated on the progress of the RHCS, allowing for several opportunities to learn about the strategy development, ask questions, and share feedback. Involvement with the Committee on Racial Equity (CORE) was determined based on the preferences of the membership, their interest in the project, and their capacity to balance this work with the rest of their work plan. In the future, CORE members should be brought into the work, as interested, to solicit their feedback about engagement, project goals, and accountability under the SPAREDI. Early brainstorming with CORE and deliberate planning to outline the purpose of their meetings will reinforce their oversight role.

External engagement and relationship building
External partners shared their perspectives on the roles that Metro should play and the actions that Metro should take to advance housing production, affordability, and choice. This feedback, including feedback from recent related housing engagement efforts, formed the foundation of the proposed action list. Continuing to deepen the relationships built through the Implementers Work Group and dedicated focus groups through the implementation of the strategy will lead to better outcomes and a stronger start to the next RHCS.

In the future, if more dedicated engagement staff are available, the team could consider expanding outreach efforts to more housing partners or creating events for the jurisdictional staff, developers, and service providers to meet at the same time to share across their sectors. Regardless, working to schedule engagement activities as early as possible will ensure flexibility for the right staff and partner organizations to be involved during the right stages of the project.

Strategy implementation and accountability
To track progress after adoption, the team proposed a few practical accountability tools. A centralized RHCS progress dashboard that would be updated through a biannual Planning, Development, and Research and Housing Department coordination meeting would provide a single place to view the status of action implementation. The dashboard would include metrics to track action impact and help the team understand effectiveness over time. Hosting that dashboard on the project website and providing updates through MetroNews and the housing related newsletters would increase transparency to the general public and partners.

Overall, centering equity through each step of strategy development, including time for reflection in the schedule, clarifying roles for internal coordination, expanding internal capacity to incorporate new data sources, deepening external relationships, and creating simple accountability mechanisms will make the next RHCS stronger.

Full list of engagement activities

Date	Group	Topic
October 16, 2024	MTAC	Meeting #1 – introduce RHCS
November 13, 2024	MPAC	Meeting #1 – introduce RHCS
December 17-18, 2024	Internal Metro project team	Equity check-in #1 – engagement plan and work plan
February 18, 2025	Metro Council	Work session #1 – project overview, work plan, engagement plan
February 20, 2025	CORE	Meeting #1 – project overview, equity framework, discuss future involvement
March 11, 2025	Cross-departmental Metro work group	Meeting #1 – brainstorm strategies, discuss inventory of existing Metro work to promote development of needed housing
March 14, 2025	Internal Metro project team	Team meeting to discuss racial equity goals
March 19, 2025	MTAC	Meeting #2 – work plan, engagement plan
March 19, 2025	MPAC	Meeting #2 – work plan, engagement plan
April 3, 2025	Washington County Planning Directors	RHCS overview, scope, engagement strategy
April 18, 2025	Implementers Work Group	Meeting #1 – project overview, Metro's roles in housing production and access, preliminary action brainstorming
April 19, 2025	1000 Friends of Oregon LULI	Project overview, Metro's roles in housing production and access
May 6, 2025	Cross-departmental Metro work group	Meeting #2 – review draft evaluation framework and preliminary list of strategies
May 7, 2025	Internal Metro project team	Equity check-in #2 – preliminary list of strategies and engagement; application of the project racial equity goals
May 14, 2025	C4	Meeting #1 - Project overview; Metro's role in housing; brainstorming preliminary list of strategies
May 16, 2025	Oregon Smart Growth	Discussion of barriers and strategy ideas
May 16, 2025	Implementers Work Group	Meeting #2 – preliminary discussion of strategies and evaluation framework
May 20, 2025	Metro Council	Work session #2 – preliminary list of strategies, Metro's roles, engagement update
May 21, 2025	MTAC	Meeting #3 – preliminary list of strategies, draft evaluation framework
May 28, 2025	Focus group: Housing advocacy	Project overview, discuss barriers to unmet housing need, brainstorm ideas for

	and provider coalitions	strategies Metro could take to address regional housing needs
May 28, 2025	MPAC	Meeting #3 – engagement themes, Metro's roles and categories of strategy ideas
May 29, 2025	Focus group: HBA and market rate developers	Member meeting – project overview, Metro's roles, barriers, strategy ideas
June 11, 2025	Housing Oregon	Member meeting – share brief project overview and advertise survey to provide feedback on Metro's roles and preliminary action ideas
June 13, 2025	Focus group: Innovative approaches to financing and development	Project overview; discussion of barriers; discussion of strategy ideas with development and financial professionals with experience in innovative approaches to affordable housing outside of Low-Income Housing Tax Credits (LIHTC)
June 19, 2025	HBA	Government affairs follow-up meeting
June 26, 2025	CORE	Meeting #2 – preliminary list of strategies, evaluation framework
June 27, 2025	Implementers Work Group	Meeting #3 – reviewing finalized evaluation framework and shortened list of evaluated strategies
July 10, 2025	WCCC TAC	Evaluation framework, list of evaluated actions
July 14, 2025	WCCC	Evaluation framework, list of evaluated actions
July 15, 2025	Focus group: Urban Native community-based organizations	Project overview, discussion of barriers to housing production and access, discussion of potential actions for Metro
July 16, 2025	C4	Meeting #2 – engagement updates and evaluated list of actions
July 16, 2025	MTAC	Meeting #4 – evaluated list of actions
July 23, 2025	MPAC	Meeting #4 – evaluated list of actions
July 29, 2025	Metro Council	Work session #3 – evaluated list of actions
September 15 - October 15, 2025	Draft RHCS released; public comment period	
September 19, 2025	Implementers Work Group	Meeting #4 – review draft RHCS
October 2, 2025	WCCC TAC	Final draft RHCS
October 9, 2025	Internal Metro project team	Equity check-in #3 – Implementation and accountability, process improvements
October 13, 2025	WCCC	Final draft RHCS
October 15, 2025	C4	Final draft RHCS
October 15, 2025	MTAC	Meeting #5 – review draft RHCS
October 22, 2025	MPAC	Meeting #5 – review draft RHCS and public comment themes

November 19, 2025	MTAC	Meeting #6 – Provide recommendation to MPAC
November 19, 2025	MPAC	Meeting #6 – Provide recommendation to Council
December 2, 2025	Metro Council	Work session #4 – receive MPAC recommendation
December 18, 2025	Metro Council	Adoption of final RHCS through Resolution

Additional full engagement summaries from pre-scoping research

Permanent Supportive Housing and Supportive Housing Services Implementation Engagement Summary

Overview
Metro's Housing Department staff conducted a scan of prior local and regional engagement efforts of key reports that have been developed for the implementation of Permanent Supportive Housing (PSH) and Supportive Housing Services (SHS). We extracted key highlights pertaining to PSH and SHS units and services, the needs of Black, Indigenous, and People of Color (BIPOC) communities, as well as those of other priority populations. For this analysis, we identified recurring themes in both needs and recommendations from the scan, along with discernible gaps between the identified needs and corresponding recommendations.

The purpose of this scan is to honor prior community input, minimize unnecessary stakeholder engagement, and extract valuable insights from existing feedback provided by supportive services users, priority populations, service providers, and community leaders. The analysis synthesizes findings from the scan.

Limitations
The key community reports analyzed included varying level of detail regarding their engagement processes, methods, and stakeholders. Some reports identified key themes and sets of aligned recommendations resulting from their engagement processes, while others solely provided recommendations. The analysis mirrors this diversity in the breadth of themes and recommendations.

Analysis of select themes and recommendations
1. Cultural understanding and empowerment
    - Cultural gaps and racism/discrimination are identified as significant issues affecting BIPOC individuals. For example, Native Americans face invisibility in the homeless system due to limited specialized cultural supports and a lack of knowledge of different Nations' unique processes to apply for tribal resources and benefits, impacting their ability to access housing opportunities.
    - While recommendations include community engagement and capacity building, there are gaps in explicitly addressing the need for cultural competence training for service providers to enhance understanding and eliminate discrimination.
2. Avoidance of services and fear of oversight
    - BIPOC individuals, youth, immigrants, and refugees report avoidance of services due to unclear definitions, lack of cultural understanding, racism, and fear of intrusive government oversight. Homeless families with children may avoid seeking services out of fear their children will be taken away while many immigrants and asylum-seekers needing services may do the same, fearing negative impacts to their status in the country.
    - Several reports highlight these concerns, however they generally lack targeted strategies to address reasons for avoidance, including unclear

program screening definitions, lack of cultural understanding, racism, and fear of government oversight.

3. Person-centered services
    - Community members and service providers express a need for person-centered services, including coordinated approaches to housing, health supports, documentation, financial assistance, and other aspects.
    - The recommendations address the need for a person-centered system, but how this will be achieved for various aspects mentioned (housing, health supports, documentation, etc.) is not detailed. More detailed strategies for each area are needed.
4. System-thinking and improvements
    - There is a general desire to enhance system capacity by refining assessment tools, standards of practice, and system mapping, along with improving information and referral processes.
    - Providers seek increased technical assistance for staying current with ongoing developments in the homeless care system. Additionally, there is a specific call for comprehensive system mapping of culturally-specific services and programs, emphasizing the need for alignment and coordination with parallel systems such as school districts, foster care, criminal justice, health, employment services, and basic needs services.

Metro Affordable Housing Investments Community Engagement Report

Overview
Coalition of Communities of Color (CCC) worked with Metro to conduct community engagement during the spring of 2024 to inform Metro's future housing investments. CCC is an alliance of 18 culturally specific organizations across the Portland metro area. Additionally, CCC staff have participated in the implementation of Metro's Affordable Housing Bond and Supportive Housing Services Measure.

Purpose
For this project, CCC partnered with culturally specific member organizations most impacted by housing needs and conducted three focus groups that also included members from the Welcome Home Coalition. The purpose of this engagement was to:

- Better understand community members' housing desires and challenges, particularly regarding regulated affordable housing and services.
- Hear community perspectives on potential changes to the supportive housing services measure, including relative prioritization of housing development and services, population focus, and housing strategies.
- Provide information for pathways for future civic engagement on Metro's housing work.

Findings
Community members continue to be impacted by the region's affordable housing shortage, resulting in deep social impacts. Participants identified challenges and opportunities to finding
and maintaining housing that were common to all focus groups and others specific to individual
populations. There was an emphasis that communities are not monoliths and continued,

meaningful engagement is needed to ensure that collective and individual needs and desires
are met in housing development and placement, as well as supportive services. Residents support investing in supportive housing resources in the development and acquisition of affordable housing while also maintaining sufficient services.

Key learnings:

- Housing affordability remains a pressing issue for families' well-being, including economic stability, mental health, and quality of life.
- Regulated affordable housing is very difficult to access and the supply is extremely low relative to the need.
- Both services and housing are essential for addressing homelessness and housing opportunities for low- and moderate-income households.
- More affordable housing is a long-term solution with the potential to better meet the needs and desires of households who cannot afford market rent.
- Services should not be reduced, but existing and future revenue beyond what is needed to maintain current service levels is a significant opportunity to invest in affordable housing.
- A wide range of services and assistance are needed to support housing stability for people with low and extremely low incomes.
- Community members have a wide range of ideas for types of housing, design elements, and increasing affordability, including conversion of existing residential and commercial buildings.
- Many housing desires and barriers that were identified in previous years' engagements remain salient, particularly desires related to the location of new affordable housing, amenities, and design features, as well as barriers around affordability and challenges maintaining housing stability.

Summary of Technical Engagement for the Evaluation of Affordable Housing Investment Opportunities

Overview

Between February and August 2024, Metro Housing Department interviewed industry stakeholders and experts in affordable housing development, finance, operations, and policy to inform future affordable housing funding recommendations. The process, led by Metro COO Marissa Madrigal, gathered insights on current market conditions, funding constraints, and opportunities for regional investment. Participants included developers, jurisdictional staff, and experts, whose feedback highlighted challenges such as escalating operating costs. Metro also engaged with Housing Oregon, a network of 75 organizations, through their Policy Council meetings and a dedicated listening session to address these concerns. The findings aim to improve Metro's affordable housing bond implementation and guide future strategies.

Summary of Input Received by Area of Analysis

Acquisition/Conversion/Adaptive Reuse

Metro's interviews with experts on property acquisition and conversion (sometimes referred to as adaptive reuse) highlighted that these opportunities are highly situational, influenced by factors such as property condition, location, zoning, and occupancy. Robust

assessments of capital needs, resident impacts, and conversion barriers are crucial. Key cost considerations include required renovations, seismic and zoning code upgrades, and accessibility improvements. Evaluations should focus on the needs of intended populations, especially for conversions like permanent supportive housing (PSH), while managing displacement risks for existing tenants. Despite funding constraints, SMEs emphasized that acquisition and conversion can be a cost-effective way to rapidly create affordable housing, including PSH, compared to new construction.

Preservation of Regulated Affordable Housing
Housing experts emphasized the critical need for reliable preservation funding, as current state and federal resources are insufficient and inconsistent. They advocated for a dedicated funding source, possibly established through partnerships. Inadequate preservation funding and rising operating costs pose significant risks to non-profits and the regional housing system, exemplified by the 2022 collapse of the Skid Row Housing Trust in Los Angeles. To ensure housing stability, experts suggested funding tenant protections, including regional vouchers for residents in properties with expiring affordability restrictions. Oregon's recent initiatives, such as the updated Publicly Supported Housing Preservation program and Affordable Housing Preservation Strategy Framework, provide valuable models for strategic investments and legislative advocacy.

Affordable Homeownership
Metro's bond funding will support nearly 160 affordable homeownership opportunities once fully expended, and experts suggested future actions to sustain this investment. Recommendations included exploring urban growth boundary extensions and drawing inspiration from initiatives like Seattle's Black Homeowner Initiative (BHI), which aims to create 1,500 new Black homeowners by 2027 through collaborative partnerships. The city of Hillsboro's approach—combining federal funding, land donations, and racial equity considerations—was highlighted as a potential model. Experts emphasized prioritizing racial equity to address historical disparities in homeownership and wealth. They also suggested fully funding projects rather than requiring multiple funding sources and expanding options beyond community land trusts to include traditional ownership structures, down payment assistance, and interest rate reduction programs.

Gap Financing of New Rental Construction
Metro's technical engagement aimed to refine gap financing assumptions and explore administrative improvements for multifamily rental construction. Experts emphasized better alignment with state and federal funders, reducing the burden of applications and fees, and addressing coordination issues with private activity bonds (PAB). Developers highlighted rising costs and recommended adjusting subsidy caps, expanding allowable uses, and clarifying underwriting guidelines. Concerns included restrictive developer fee caps, which they suggested should be tiered based on project complexity. Streamlining funding approvals and simplifying permitting processes were also proposed to reduce delays.

Operational challenges, such as insufficient funding for resident services and rising costs like insurance and interest rates, were identified as priorities. Suggested solutions included adjusting payment standards for supportive housing, creating pooled insurance funds, and improving coordination with lenders. Long-term stability in funding sources, such as extending the Supportive Housing Services measure, was also recommended to improve project viability and loan access.

Policies, Actions, Incentives to Support Affordable Housing Development and Operations
Metro and its consultants gathered feedback on supporting affordable housing, system gaps, and innovative strategies. Experts highlighted the need for streamlining processes, improving funding access, and addressing challenges faced by smaller, culturally specific developers. Recommendations included prioritizing pre-development and land acquisition funding, possibly through grants or below-market loans, to help these organizations compete with larger developers. Simplifying permitting, supporting land-use improvements, and offering incentives like tax abatements were also suggested, though concerns about their impact on infrastructure funding were noted.

Capacity-building support for smaller non-profits and culturally responsive organizations was emphasized to ensure equity in accessing funds. Innovations such as modular construction and mass timber were recommended for their potential cost savings, albeit requiring significant upfront investment. Experts also stressed the importance of direct funding for acquiring and converting existing properties, which could be more cost-effective than new construction. Overall, enhancing support for housing operators and improving administrative processes were seen as crucial to sustaining affordable housing efforts.

Urban Growth Report Roundtable Summary of Engagement Themes and Suggested Metro Actions

Housing production and affordability was a recurring important topic to UGR roundtable members. Participants expressed the need for renewing funding sources and establishing clear goals for affordable housing development to meet regional needs at various income levels. This affordable housing production should include units for both rent and ownership. Members mentioned that housing and land are resources for generational wealth building. Other roundtable members working in housing development cited the high infrastructure costs as a substantial barrier to housing affordability and production. This led to conversation about the need for policies to address historic underproduction and advocate for infrastructure funding. Some roundtable members advocated for workforce housing to support job growth in the region. By proactively planning for workforce housing at different income levels, including addressing the specific needs for farmworker housing, cost of living may become less of a barrier for workers here today and those considering moving in the future.

Actions:

- Renew funding for affordable housing
- Consider home ownership as an important tool for generational wealth-building
- Advocate for infrastructure funding that supports housing development
- Proactively plan for workforce housing

Diversity, equity, inclusion, and justice topics were woven throughout the UGR roundtable discussions. Staff heard from some members that it is important to center community in our conversation and remember the people that are represented in the technical analysis. Participants suggested connecting the data related to race, ethnicity with personal stories of lived experiences. This is a way to understand how different demographic groups have different needs and unique positions in the community.

Actions:

- Present numbers and data together with the stories and lived experiences of people in the region to provide a more complete picture

Development barriers and the feasibility of future development was another recurring topic in the group. The discussions included barriers to housing, commercial and industrial development. During an activity where participants identified development barriers, the list included:

- Price of property
- Zoning and market mismatch
- Market conditions outweigh subsidies
- Property owner motivations
- Cost of infrastructure to serve site
- Parcel assembly
- Site constraints
- Environmental challenges – brownfields, floodplains
- Absentee landowner
- Land banking
- Political challenges
- Public ownership
- Easements
- Regulatory requirements – frontage, trees, stormwater, fees
- Transportation infrastructure not well maintained and difficult site access

Members seek creative solutions and collaboration between the development community, local jurisdictions, Metro, and the State of Oregon. Some roundtable members specifically called out the long timeline from the beginning of the concept planning process to the start of construction and suggested reducing the amount of detail and procedures required to complete these steps. Others mentioned that their biggest barriers are expensive infrastructure and cost prohibitive development code requirements, especially on infill sites.

Actions:

- Collaborate with local jurisdictions and the State of Oregon to decrease development time and reduce code barriers for housing development
- Provide more regional support for local concept planning efforts

Discussing the variety of regional challenges and concerns led to conversations about the **role of Metro and local governments** in finding solutions. Roundtable members highlighted primary roles of Metro as listening to local concerns, partnering with cities to find infrastructure funding, advocating at the state level, and being nimble and flexible to change. Some of the local jurisdiction representatives mentioned the increasing need for fiscal balance in their community to continue to fund their local services.

Actions:

- Advocate for the region with the State
- Advocate for meaningful statewide revenue reform

Many of the topics brought to the roundtable inspired broader conversations about the **regional vision for the future.** As challenges and solutions grew beyond land use

interventions, members felt that it was important to be proactive about change rather than reacting. Some participants felt that the reputation of our region is at risk, and that bold, optimistic visions are needed to create a different future for the region. This will involve a messy process to bring many different voices, perspectives, and priorities to the table. Many of the challenges and concerns mentioned throughout this process go beyond the urban growth management decision itself and require continued leadership and collaboration to find new solutions and commitment to see them through.

Actions:

- Proactively plan for the region's future through regional collaboration and leadership
- Engage roundtable members and the jurisdictions and organizations they represent on the next steps to update to the regional future vision/growth concept

The need for **infrastructure funding** came up frequently in roundtable discussions. It was mentioned as a necessary solution in discussions of housing production and affordability, development barriers and the role of Metro and local governments. This is an area where many roundtable participants advocated for regional partnership in advocating for infrastructure funding at the State and with the Federal government.

Appendix 7: Full list of RHCS action ideas

Many engagement activities prompted participants to think about ideas for actions they want to see Metro take to promote housing production, affordability, and choice in the greater Portland area. This list encompasses the full list of ideas generated through the phases of engagement leading up to the production of the draft RHCS. Many ideas were combined or refined before evaluation for impact and feasibility. Others were removed because they are outside of Metro's legal authority, are actions that are a part of Metro's current work portfolio, or are actions being led by other organizations. The remaining ideas that were not included in this RHCS were documented for future consideration.

Action idea	Category	Source
Present housing data with the stories and lived experiences of people in the region to provide a more complete picture	Best practices and research	Previous Metro project engagement
Complete an analysis of impediments for fair housing	Best practices and research	City HPS
Use the RHCS to align jurisdictional partners on how we talk about housing affordability (TOD program is doing great with proof of concept)	Best practices and research	Metro staff
Look at best practices that balance prioritizing green building features and overall costs	Best practices and research	Metro staff
Share lessons learned from the Site Acquisition Program with other local jurisdictions; potential to use this as a best practice and to demonstrate "win" of the bond measure	Best practices and research	Metro staff
Collect and share best practices/toolkits/model code resources (including ones currently in development at DLCD) - best practices/ideas toolkit for local jurisdictions to meet their housing needs - Metro work to clarify what would result in a coherent outcome and usable tools in the regional context - simple things that create communities that are complete, healthy, equitable are getting lost in the effort to reduce barriers	Best practices and research	Metro advisory group
Provide regional research related to past harms analysis that can be shared with local jurisdictions	Best practices and research	Other engagement
Explore feasibility of modular development - what are the unique barriers in our regional context, opportunities for technical assistance or cost reduction strategies - research and share as best practices/resources	Best practices and research	Metro staff
Develop low carbon building policies	Best practices and research	City HPS

Action idea	Category	Source
Explore mass timber construction - research and share as best practices/resources	Best practices and research	Previous Metro project engagement
Explore non market social housing models to prevent housing commodification - research and share as best practices/resources	Best practices and research	City HPS
Trauma-informed design - design trauma-informed, person-centered spaces to address barriers like PTSD and social anxiety in transitional or permanent housing - research and share as best practices/resources	Best practices and research	Previous Metro project engagement
Provide research on innovative building practices and the best ways they can be implemented	Best practices and research	Implementers work group
Explore best practices for preserving affordable housing that has expiring regulatory agreements	Best practices and research	Implementers work group
Provide research on naturally occurring affordable housing and how those homes can be preserved and rehabilitated cost effectively	Best practices and research	Implementers work group
Weigh in on what informs the statewide model home legislation - a proposal to create a home plan that is preapproved and does not need to go through building or planning permitting. So far, the ideas are not in line with best practices	Best practices and research	Implementers work group
Support community ownership and stewardship models that ensure affordability over time	Best practices and research	Focus group
Explore an idea to mandate a "displacement impact report" as a requirement for development with assurances to mitigate impacts	Best practices and research	Focus group
Provide regional level analysis of past discriminatory actions or practices related to land and housing access to assist jurisdictions in completing that required part of the Contextualized Housing Need	Best practices and research	Implementers work group
Implement better messaging around affordable housing and test new communication strategies for regional use	Communication and public engagement	Interview
Expand outreach with trusted leaders, provide culturally-responsive and bilingual/multilingual services and outreach	Communication and public engagement	Previous Metro project engagement
Focus on youth outreach, particularly immigrant and refugee youth	Communication and public engagement	Previous Metro project engagement
Consult with Tribes and culturally specific developers that have worked with urban tribal community members to understand specific barriers and needs	Communication and public engagement	Metro staff

Action idea	Category	Source
Interest in Metro acting as a recruiter for developers who are willing to build middle housing at an affordable price point, even from beyond the region or the Pacific Northwest	Communication and public engagement	Other engagement
Consider engaging with service providers that are affected by increased number of produced units (Clean Water Services, waste haulers, stormwater, etc.)	Communication and public engagement	Metro advisory group
Prioritize outreach to communities of color to gather more data on housing needs and how to be responsive to them	Communication and public engagement	City HPS
Create public service announcements showing the benefits of affordable housing	Communication and public engagement	Implementers work group
Serve as a centralized, region and statewide communicator about housing market forces and challenges and help describe to the public and policy-makers how local, county and regional governments can and cannot intervene	Communication and public engagement	Implementers work group
Create a comprehensive website or resource which identifies opportunities to assist those who are houseless or to prevent houselessness. Connect and coordinate with various services and providers around the region.	Communication and public engagement	Implementers work group
Create and share with local jurisdictions educational/PR resources that cities can use to combat NIMBYism and promote housing policy changes on the local level	Communication and public engagement	Implementers work group
Look into podcasts with nationwide reach where local specialists speak as a way to expand recruitment of new ideas and interest into the region	Communication and public engagement	Implementers work group
Technical and communications assistance with TIF economic development efforts that build local capacity and can help educate voters on the risks and benefits of TIF as a driver of housing production in regional centers	Communication and public engagement	Implementers work group
Act as a recruiter to bring new multifamily developers and investors to the region by highlighting local development opportunities and incentives.	Communication and public engagement	Metro staff
Assess where brownfield grants have been effective and where we need additional funding	Communication and public engagement	Other engagement
Metro has a legacy of being anti-growth; how can Metro change the narrative to reflect changes in Council leadership and thoughts about being more pro-growth	Communication and public engagement	Member meeting

Action idea	Category	Source
Require or incentivize community co-design practices in projects receiving public funds	Communication and public engagement	Focus group
Review or evaluate the success of the protocols currently in place for affirmative marketing and consider refinements, using the State ARA based on the Seattle model as a potential jumping off spot (State ARA: Affirmative Marketing Requirement for Metro-funded units—review existing requirements and compare to the Seattle model profiled in the ARA packet, and choose something.)	Communication and public engagement	Other engagement
Metro as a regional convener for implementers and other subject matter experts – host regular communities of practice	Convening	Interview
Create a regional committees for funders, establish a statewide interagency supportive housing leadership steering committee	Convening	Previous Metro project engagement
Convene jurisdictions to discuss how to align implementing codes to streamline expectations for developers and reduce permitting burden	Convening	Metro advisory group
Assist Counties with coordinating amongst themselves and with their cities - especially when it comes to meeting housing production targets and lacking control over annexation	Convening	Other engagement
Convene region's state legislators to discuss regional needs with Metro and local elected officials	Convening	Implementers work group
Convene banks and financers for people who want to develop middle housing or ADUs	Convening	Implementers work group
Convene funders, including philanthropic organizations (there is a recurring meeting held through GAPD/Council office - Eliot mentioned this and offered to provide contact info)	Convening	Metro staff
Convene experts in modular housing to identify opportunities for Metro to support or accelerate innovation approaches that bring down the cost of multifamily development	Convening	Metro staff
Metro Council to meet yearly with cities and counties to understand the 2-3 things they are doing and where they are struggling and need more resources; would like to see Metro use our position to add urgency and local transparency	Convening	Other engagement

Action idea	Category	Source
In coordination with GAPD/Council office, engage philanthropic organizations to identify opportunities for partnerships to support housing production and equitable housing access, particularly in light of federal actions impacting funding stability and policies related to fair housing.	Convening	Other engagement
Build infrastructure for community-developer collaboration (e.g. shared planning tables, facilitation, technical assistance)	Convening	Focus group
Implement a data-driven monitoring approach to track the impact of recommendations, enabling evidence-based decision-making and facilitating continuous improvement	Data and analysis	Previous Metro project engagement
Increasing available information to help housing developers assemble clusters of parcels. *Note: LIFT through OHCS is the only consistent funding source for new CLT homes; currently and potentially in the future, we are functionally limited to one application per round/per program. But – scattered site developments in the same neighborhood can be treated as a single application.*	Data and analysis	Interview
Metro as a central resource for data through the DRC – new dashboards/metrics, regional centralized clearinghouse for resources	Data and analysis	Interview
Improve comprehensive data collection for accurate estimation of supportive housing demand	Data and analysis	Previous Metro project engagement
Add a filter for surplus tax-exempt land (publicly owned or owned by a faith based organization) on Metro Maps to facilitate affordable housing development (even without a land bank)	Data and analysis	Interview
Create a map that identifies land that would be eligible for affordable housing development under SB 8; create a publicly-owned lands inventory	Data and analysis	Metro advisory group
Compile data on available land supply	Data and analysis	Implementers work group
Assess and share market data and opportunities for different housing types on a regional level (maybe through a map). This information can be proprietary and hard to access for smaller localities interested in purchasing land for housing.	Data and analysis	Implementers work group
Track and map where people are moving and why in order to better understand gentrification; track and map housing choice	Data and analysis	Implementers work group

Action idea	Category	Source
Track and map cost burden tied to address to avoid concentrated poverty; track and map cost burden for rehabilitation or maintenance tied to address	Data and analysis	Implementers work group
Create a regional map of areas of opportunity where affordable housing development could be focused	Data and analysis	Implementers work group
Be a centralized location for the data that is required for local jurisdiction's housing capacity and needs analysis	Data and analysis	Implementers work group
Create a real time tracker that provides yearly updates on housing permit activity in the region, including detailed information about tenure, housing type, price	Data and analysis	Other engagement
Create an online public dashboard for jurisdictional development services operations - average permitting times, housing production numbers, etc - share this widely and also create incentives for high performing jurisdictions who are hitting benchmarks or outperforming; use social media to celebrate good stories; bring builders into communities they might have skewed from by showing performance improvements on dashboard; performance could be tied to additional funding opportunities	Data and analysis	Member meeting
Analyze the options for beginning to collect data on housing accessibility in the region and pick at least one method to implement in the six-year implementation period. It could be as simple as collecting accessibility information through the regional affordable housing listing service—or it could be a study, or it could be working with county assessors to implement protocols to start to collect that data routinely, or something else.	Data and analysis	Other engagement
Pass a new affordable housing bond	Funding and investment	Interview
Explore creating regional revolving loan fund for affordable housing	Funding and investment	Interview
Create a dedicated funding source for preservation of regulated affordable housing	Funding and investment	Previous Metro project engagement
Create long-term stability in funding sources, like extending the SHS measure	Funding and investment	Previous Metro project engagement
Help cities secure funding by streamlining processes, advocating for resources, and sharing information on available opportunities	Funding and investment	Interview
Investing in the TOD program that produces housing in strategic corridor locations	Funding and investment	Metro staff

Action idea	Category	Source
SHS reform to divert more funding to the creation of affordable housing	Funding and investment	Metro staff
Look at the affordability levels that are targeted in city HPSs and see if Metro can fill gaps in other ranges of needed affordability	Funding and investment	Metro staff
Explore using 2040 planning and development grants for cities looking at surplus land for housing (or willing to partner with faith based organizations looking to transfer land) - funds used for pre-development and technical assistance. Cities and faith organizations need funding for planning, due diligence, and clearing title.	Funding and investment	Interview
Use 2040 planning and development grant funds to help local jurisdictions remove regulatory barriers	Funding and investment	Metro staff
Explore incentives that Metro can offer for local jurisdictions to remove restrictions that have been identified as barriers	Funding and investment	Metro staff
Create an implementation plan for a regional land bank including land bank laws and procedures for running one	Funding and investment	Metro staff
Opportunities to purchase materials, services, to create housing at scale. What if there was some consortium for buying materials - Metro could sponsor a collaborative purchasing pool and also lower the costs of insurance and financing risks	Funding and investment	Metro staff
Acquire existing market rate building converting into affordable housing	Funding and investment	Metro staff
Create strategies that focus specifically on the 80%-120% AMI affordability level	Funding and investment	Metro advisory group
Direct funding for acquiring and converting existing properties that would be more cost-effective than new construction	Funding and investment	Previous Metro project engagement
Look for opportunities to apply a land bank strategy to a group of smaller infill parcels rather than one contiguous plot of land	Funding and investment	Interview
Fund tenant protections like regional vouchers for residents in properties with expiring affordability restrictions	Funding and investment	Previous Metro project engagement
Prioritize pre-development and land acquisition funding through grants or below-market loans to help culturally specific developers compete with larger firms	Funding and investment	Previous Metro project engagement
Evaluate and create flexible funds for essential services and rent assistance, map critical qualifications for tenancy supports	Funding and investment	Previous Metro project engagement

Action idea	Category	Source
Fund incentives for public housing authorities, prioritize chronically homeless populations, and utilize master leasing of units or incentivize creation of smaller sub-units i.e. accessory dwelling units	Funding and investment	Previous Metro project engagement
Desire to explore and support more community land trusts	Funding and investment	Metro staff
Extend allocated funding for the RHCS to the Counties for resources to complete their required plans	Funding and investment	Metro advisory group
Preserve affordable housing and retrofit units to prevent displacement of vulnerable populations	Funding and investment	City HPS
Provide ongoing grants for implementation of HPSs	Funding and investment	Implementers work group
Provide support or a line of credit for subcontracts so they can become more adept	Funding and investment	Implementers work group
Explore land banking in urban reserves for future affordable housing - new UGB areas are too expensive once land is brought into the UGB	Funding and investment	Implementers work group
Additional funding for acquisition and rehabilitation of NOAH and expiring affordable housing	Funding and investment	Implementers work group
Create an SDC assistance fund for affordable housing units, ADA units, units near frequent transit corridors, and units under 1000 SF	Funding and investment	Implementers work group
If a new transportation bond and housing is considered, pair a portion of the transportation funding with gap funding for affordable housing. Required infrastructure and fees are a substantial cost for affordable housing development	Funding and investment	Implementers work group
Voucher transferability - allow community members to take vouchers across County lines and expand eligibility	Funding and investment	Metro staff
Align funding standards across the region to simplify processes and clarify expectations for developers and providers (voucher portability, PBV standards, regional underwriting for future Metro $, operations subsidy)	Funding and investment	Metro staff
Allocate future affordable housing funds based on OHNA production targets	Funding and investment	Metro staff
Provide SHS funding to address gaps in fair housing compliance and education due to federal cuts	Funding and investment	Metro staff
Condition Metro's transportation and parks funding on performance related to local HPS as evaluated by DLCD	Funding and investment	Metro staff
Use public funds to acquire existing housing from private sector and convert to mixed income and/or PSH	Funding and investment	Focus group

Action idea	Category	Source
Expand and sustain eviction prevention funds	Funding and investment	Focus group
Create a risk pool that all project managers can access for maintenance needs	Funding and investment	Focus group
Use funding leverage to ensure jurisdictions and developers are accountable to fair housing principles in implementation, not just policy. Tie bond and SHS funding to deep affordability targets and long-term affordability commitments. Include quality controls for cultural competency and accessibility	Funding and investment	Focus group
Fund community-led research and engagement as part of fair housing planning	Funding and investment	Focus group
Fully fund resident services as a component of affordability, not just as an add-on	Funding and investment	Focus group
Develop a strategy for Metro to advance affordable housing stabilization efforts in response to industry challenges due to rising operation costs (caused by staffing shortages, skyrocketing insurance, and other factors), increased resident needs, and lack of coordination/alignment with homeless and supportive services	Funding and investment	Metro staff
Pursue new resources, programs, or opportunities for the region at the state and federal level (grants, conferences, etc.)	Legislative advocacy	Interview
Advocate for federal grant opportunities - play a proactive leading role in legislative advocacy and infrastructure funding; funding for infrastructure in UGB expansion areas is a large barrier to housing development	Legislative advocacy	Interview
Advocate for meaningful statewide revenue reform	Legislative advocacy	Previous Metro project engagement
Provide more support to cities when advocating for or against current legislation	Legislative advocacy	Implementers work group
Support legislation that allows affordable housing to not be subject to prevailing wage	Legislative advocacy	Implementers work group
Find opportunities to advocate for funding from the legislature with no strings attached (like the $5 million for investment along 82nd Ave)	Legislative advocacy	Metro staff
Advocate for state building code reforms to expand accessibility and climate resilience (e.g. elevator policy)	Legislative advocacy	Metro staff

Action idea	Category	Source
Convene jurisdictional and industry partners to develop a coordinated advocacy agenda for state and federal policy and resources. This work could be led by the Council's proposed new Housing and Homelessness Policy Advisory Committee (HHPAC) in coordination with Metro Policy Advisory Committee (MPAC).	Legislative advocacy	Other engagement
Encourage cities (and other public entities) to repurpose surplus land for housing. *Note: Habitat Portland Region has two planned developments on former Portland Water Bureau land and one on land donated by the City of Hillsboro, but these processes have been piecemeal and lengthy. Cities, school districts, and public utilities have land but need a nudge to consider letting go of an asset.*	Partnerships and collaboration	Interview
Find solutions for construction labor shortages - investment in construction to careers pathway Mass timber construction requires a lot of labor to happen at the same time (while traditional construction can phase things out over time) - this has put a big strain on past projects when you need to hire several companies worth of a certain specialist	Partnerships and collaboration	Metro staff
Evaluate regional list of barriers to housing production and identify where Metro can act	Partnerships and collaboration	Interview
More regional support for local concept planning efforts	Partnerships and collaboration	Previous Metro project engagement
Capacity-building support for smaller non-profits and culturally responsive organizations to ensure equity in accessing funds	Partnerships and collaboration	Previous Metro project engagement
Support long-term capacity-building through providing technical assistance to city/county partners, education programs/cohorts, and partnerships with universities or training institutions	Partnerships and collaboration	Interview
Create a pipeline for housing planning expertise (internships, targeted educational initiatives)	Partnerships and collaboration	Interview
Look at the entire life cycle of housing production to help fill workforce gaps - support apprenticeship programs for building inspectors or other trades people who are retiring right now	Partnerships and collaboration	Other engagement
Act as a recruiter of national middle housing builders - bring them to the region to spark new ideas. Metro can help expand the bench of developers in the region who build infill, middle housing, ADUs, etc.	Partnerships and collaboration	Implementers work group

Action idea	Category	Source
Continue to work with OHCS to coordinate, align, and streamline state and local funding.	Partnerships and collaboration	Member meeting
Develop a strategy to better align vouchers with nonprofit housing providers.	Partnerships and collaboration	Member meeting
Consult with interested Tribes that are engaged in housing development to support urban Native populations to learn more about tribal priorities, partnership opportunities, and barriers or challenges that can be addressed through Metro's work.	Partnerships and collaboration	Metro staff
Update UGMFP to be more consistent with state legislature for housing (like HB 2001) – to make it easier for cities to write findings	Regulation and regional policies	Interview
Update UGMFP Title 6 Centers and Corridors – align these requirements with CFEC	Regulation and regional policies	Interview
Align new housing efforts with existing regional goals, such as climate-friendly development, equitable TOD, and regional housing/SHS governance	Regulation and regional policies	Interview
Reinstate compliance with UGMFP Title 7 - Housing Choice; rewrite Title 7 to align with OHNA targets for cities and other legislative requirement changes	Regulation and regional policies	Metro staff
Help to Counties who do not control annexation of their land that is already within the UGB and designated for residential development. This makes housing capacity hard to rely on. Provide insights on how Counties can best meet requirements under these conditions.	Regulation and regional policies	Implementers work group
Audit housing related titles in the UGMFP for clarity and consistency and opportunities to relax regulations	Regulation and regional policies	Metro staff
Amend Title 11 of the Metro Urban Growth Management Functional Plan to establish density minimums for new urban areas	Regulation and regional policies	Metro staff
Conduct a process through MTAC and MPAC to determine whether to amend Title 14 to allow developer-led expansion proposals for smaller pockets of land.	Regulation and regional policies	Member meeting
Conduct a review of middle housing codes in the Metro area to identify similarities and differences between jurisdictions and with the State model codes/requirements. Conduct interviews with local developers for additional information. Identify impediments to the middle housing production to find opportunities to increase distribution across the region	Regulation and regional policies	Member meeting

Action idea	Category	Source
Provide a centralized regionally available pool of housing professionals that can help cities and fill staff capacity gaps - whether they provide relationships with land trusts and non-profits, help to find new affordable housing opportunities, or consult on the best ways to maintain existing affordable housing	Technical assistance	Implementers work group
Create a regional listing service for affordable housing units that includes information like rent cost, availability, unit accessibility, supportive services, and property management	Technical assistance	Metro staff
Enhance system capacity by refining assessment tools, standards of practice, and system mapping, along with improving information and referral processes	Technical assistance	Previous Metro project engagement
Provide training, education, and technical assistance to improve local planning and implementation around AFFH	Technical assistance	Interview
Provide fair housing training, implement culturally sensitive outreach, combat discrimination in housing access	Technical assistance	Previous Metro project engagement
Provide specific, actionable strategies for addressing mental health stigma in BIPOC communities, including awareness campaigns and education programs tailored to cultural nuances	Technical assistance	Previous Metro project engagement
Collect and share permit ready plans for accessible housing and middle housing types	Technical assistance	City HPS
Provide technical assistance for universal design - research and share as best practices/resources	Technical assistance	Interview
Enhance informational programs for homeowners on how they can utilize their properties for small scale development, such as ADUs	Technical assistance	City HPS
Create a database of design plans for small houses that people could pick up and submit to a local jurisdiction	Technical assistance	Implementers work group
Help match cities with developers	Technical assistance	Implementers work group
Provide resources on how to educate and guide Council when a city does not have an experienced housing developer on staff	Technical assistance	Implementers work group
Share housing production strategies with cities who have not yet done their HPS that are already on other city lists that Metro can help implement or fund.	Technical assistance	Implementers work group

Action idea	Category	Source
Develop a work program to explore alternative affordable home ownership opportunities; align with future affordable housing funding; buyer assistance programs aligned with middle housing development strategies; Research barriers and identify strategies to support multifamily home ownership strategies; Technical assistance for HOA structures; legislative advocacy	Technical assistance	Other engagement
Support landlord liaison programs and increase capacity where landlords who will waive credit score issues, criminal background, are connected with tenants	Technical assistance	Focus group

METRO'S STATE-MANDATED REGIONAL HOUSING COORDINATION STRATEGY

Date: December 1, 2025
Departments: Planning, Development and Research; Housing
Meeting Date: December 18, 2025

Prepared by: Laura Combs, Associate Regional Planner, laura.combs@oregonmetro.gov
Presenter(s): Eryn Kehe (she, her); Emily Lieb (she/her)
Length: 30 minutes

ISSUE STATEMENT

As a part of the Oregon Housing Needs Analysis legislation, the State of Oregon requires that Metro complete a Regional Housing Coordination Strategy (RHCS) by the end of 2025. A project team made of staff from both the Housing and Planning, Development and Research departments have completed the public comment draft RHCS, which proposes a list of actions that Metro will undertake to promote housing production, affordability, and choice. At this Council meeting, the project leads will ask the Council to vote to adopt a Resolution approving the final RHCS.

The goal of the RHCS is to create a roadmap of actions Metro will advance to promote housing production, coordination, and access by lifting up best practices, coordinating and aligning local strategies and addressing critical gaps that can be filled at the regional level. By statute, the list of actions in the RHCS must address the following:

- The development and maintenance of diverse housing types that are high-quality, physically accessible and affordable
- Housing with access to economic opportunities, services and amenities
- Strategies, policies, or actions that are coordinated among the local governments within the Metro region
- Actions that affirmatively further fair housing

The proposed list of actions was informed by engagement with jurisdictional partners and other interested groups. This RHCS creates opportunities for alignment within Metro's existing body of work and builds on initiatives already underway that promote housing production and access in greater Portland.

ACTION REQUESTED

Council will be asked to vote on a Resolution to approve the final RHCS.

IDENTIFIED POLICY OUTCOMES

If the RHCS is approved, staff will submit the strategy to the Department of Land Conservation and Development (DLCD) for review and final approval. If approved, Metro expects to implement the Strategy's actions over the next six years.

POLICY QUESTION(S)

- Does the Council approve the Regional Housing Coordination Strategy?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

The Council may vote to approve the RHCS through Resolution 25-5535. Since Metro is required by DLCD to complete and submit a Housing Coordination Strategy by December 31, 2025, if the Council does not approve the RHCS, Metro will be out of compliance with ORS 197A.365.

STAFF RECOMMENDATIONS

Staff recommend that the Council vote to approve the RHCS through Resolution 25-5535.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The Oregon Housing Needs Analysis (OHNA) articulates new responsibilities for state agencies and local governments to reorient the implementation of Statewide Land Use Planning Goals 10 (Housing) and 14 (Urbanization) to produce more housing, increase equitable access to housing and ensure that state and local governments take action to address need. It affects the way all communities plan housing and urban lands, and cities and unincorporated counties with populations of 10,000 or greater are now required to regularly plan and take action to address needs. These cities and counties in the Metro area will develop and implement a Housing Production Strategy every six years to promote needed housing and affirmatively further fair housing.

As the regional government, Metro will produce a Regional Housing Coordination Strategy (RHCS) by the end of 2025 which focuses on coordination amongst the area's jurisdictions instead of direct production.

BACKGROUND

Earlier in December, the RHCS project team updated the Council on feedback from the public comment period, related changes to the final proposed RHCS, and the recommendation from MPAC. Over the summer, the team discussed the preliminary list of actions and results from the evaluation framework at the previous work session on July 29, 2025. Prior to this meeting, the May 20 work session covered Metro's roles in housing and preliminary action ideas. A previous work session in February covered the project scope of work and engagement plan.

ATTACHMENTS

None

Agenda #: 5.4

File #: RES 25-5557 **Agenda Date:**12/18/2025

Resolution No. 25-5557 For the Purpose of Establishing a Framework for Regional Action to Mitigate the Impacts of Federal Funding Cuts and Federal Enforcement Actions on Metro Residents

Marissa Madrigal (she/her), Chief Operating Officer

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING A FRAMEWORK FOR REGIONAL ACTION TO MITIGATE THE IMPACTS OF FEDERAL FUNDING CUTS AND FEDERAL ENFORCEMENT ACTIONS ON METRO RESIDENTS	)))))	RESOLUTION NO. 25-5557 Introduced by Chief Operating Officer Marissa Madrigal in concurrence with Council President Lynn Peterson

WHEREAS recent federal policy changes and shifts in operational priorities have created instability and disruption in essential services relied upon by residents throughout the region, including but not limited to the impacts described in the following clauses:

WHEREAS federal reductions, delays, or changes in allowable uses of funding—such as HUD Continuum of Care dollars—threaten the housing stability of thousands of households in the Portland metropolitan region; and

WHEREAS changes in federal policy and administration of programs such as SNAP have disrupted households' ability to reliably access food, contributing to rising food insecurity and heightened demand on community-based food providers; and

WHEREAS these disruptions compound other federal impacts on housing stability, access to essential public services, and community well-being, creating cascading pressures on city, county, and regional systems; and

WHEREAS federal immigration enforcement practices by Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) have created significant physical, emotional, and economic harm for residents, including U.S. citizens, immigrants with legal status, and families with mixed immigration status, and these practices raise concerns about potential violations of civil rights and due process; and

WHEREAS such immigration enforcement tactics have negatively impacted Metro operations, including its employees, compromising their ability to safely travel to work, perform their duties, and participate fully in community life; and

WHEREAS federal immigration enforcement priorities, federal funding shifts, and other disruptive actions are expected to continue for multiple years, resulting in impacts whose scale and duration exceed the capacity of individual city, county, or regional governments to address alone; and

WHEREAS Metro's previous one-time, $500,000 local emergency allocation for food security highlighted the severity of community need; and

WHEREAS Metro's consideration of $500,000 for housing stability for families impacted by immigration enforcement mirrors the food security allocation and further emphasizes the severity of the community need;

WHEREAS Metro has a limited role in funding direct safety-net services, and these ad-hoc interventions are not sustainable, long-term substitutes for stable and predictable programs; and

WHEREAS taken together, these conditions require a shift from short-term emergency interventions to coordinated, longer-term strategic approaches.

BE IT RESOLVED that the Metro Council:

1. **Directs the Chief Operating Officer** to support the Metro Council in identifying and evaluating potential legal, legislative, policy and intergovernmental avenues to address the regional impacts of disruptive federal actions, and to strengthen Metro's role in supporting regional stability, continuity of essential services, and resident safety.

2. **Directs that Metro identify and pursue, if appropriate, opportunities** that address root causes of federal impacts on the region and advance coordinated, longer-term solutions in collaboration with the Oregon Attorney General and other relevant partners.

3. **Further, Council adopts the framework below which establishes prioritization factors to consider when bringing forth future funding requests.** Requests must clearly articulate why funding is the most appropriate and effective response relative to other available legal, policy, or intergovernmental options:

   Required Factors:
   a. Support systemic-level or structural solutions rather than short-term emergency interventions; AND
   b. Strengthen regional resilience to sustained federal policy shifts that affect essential services and economic stability; AND
   c. Demonstrate potential to mitigate or prevent harm to communities within the Metro region.

   Supplemental Factors:
   d. Magnitude and immediacy of federal funding instability;
   e. Breadth or severity of regional disruptions caused by federal actions;
   f. Whether the action advances or protects civil rights or due process;
   g. Degree to which other local governments are constrained in addressing the issue
   h. Opportunities to coordinate with, or complement, actions by city, county, or state, or non-profit partners.
   i. Alignment with adopted regional priorities or long-term Council direction.

All actions undertaken pursuant to this framework must comply with applicable civil rights and other relevant laws.

ADOPTED by the Metro Council this 18th day of December 2025.

Lynn Peterson, Council President

Attest:

Approved as to Form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney

IN CONSIDERATION OF RESOLUTION NO. 25-5557, FOR THE PURPOSE OF ESTABLISHING A FRAMEWORK FOR REGIONAL ACTION TO MITIGATE THE IMPACTS OF FEDERAL FUNDING CUTS AND FEDERAL ENFORCEMENT ACTIONS ON METRO RESIDENTS

Date: December 15, 2025
Department: Office of the Chief Operating Officer
Meeting Date: December 18, 2025

Prepared by: Summer Beanland, Sam Korta
Presenter: Marissa Madrigal, COO
Length:

ISSUE STATEMENT

Federal immigration enforcement priorities, federal funding shifts, and other disruptive actions have created widespread instability and fear in the region and have negatively affected the physical, economic, and social well-being of Metro residents. These disruptions are expected to continue for multiple years, resulting in impacts whose scale and duration exceed the capacity of individual city, county, or regional governments to address independently.

In recent months, Metro has been asked to respond to these impacts through time-limited emergency interventions. While such actions may be necessary to address immediate harm, they also underscore the need for a clearer framework to guide how Metro evaluates responses to federal actions, including when funding is appropriate and how funding decisions relate to other available legal, policy, and intergovernmental tools.

ACTION REQUESTED

This resolution proposes to refocus Metro's response to the impacts of federal actions by establishing a clearer framework for decision-making. The framework is intended to support more deliberate, consistent evaluation of funding requests and to ensure that Metro's actions are aligned with its role, authority, and capacity.

Specifically, the resolution directs the Chief Operating Officer and Metro Attorney to identify and evaluate potential legal, legislative, policy, and intergovernmental actions related to federal impacts, and adopts prioritization factors to guide consideration of future funding requests associated with federal actions.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Approve Resolution No. 25-5557

- Adoption of a framework to guide regional action and the evaluation of future funding requests related to the impacts of federal funding shifts and enforcement actions on Metro residents.

Do not approve Resolution No. 25-5557

- Metro would continue to consider funding requests associated with federal impacts without an adopted decision-making framework.

STAFF RECOMMENDATIONS

Staff recommend that the Metro Council adopt the proposed framework to guide Metro's response to the impacts of federal actions.

The framework is intended to support more disciplined decision-making by establishing clear expectations for when funding requests related to federal actions are brought forward, how those requests are evaluated, and how funding decisions are considered alongside other available legal, policy, and intergovernmental options. Adoption of the framework will help ensure that Metro's responses are strategic, regionally focused, and aligned with the agency's role and resources.

ATTACHMENTS
Resolution 25-5557

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

Metro

Agenda #: 6.1

File #: ORD 25-1535 **Agenda Date:**12/18/2025

Ordinance No. 25-1535 For the Purpose of Amending Metro Code Chapters 3.07 and 3.09 to Make Housekeeping Updates, Modernize Public Notice Methods, Incorporate Plain Language Best Practices, and Implement New Statutory Metro District Annexation Requirements

Glen Hamburg (he/him), Senior Regional Planner

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE CHAPTERS 3.07 AND 3.09 TO MAKE HOUSEKEEPING UPDATES, MODERNIZE PUBLIC NOTICE METHODS, INCORPORATE PLAIN LANGUAGE BEST PRACTICES, AND IMPLEMENT NEW STATUTORY METRO DISTRICT ANNEXATION REQUIREMENTS	)))))))	ORDINANCE NO. 25-1535 Introduced by Chief Operating Officer Marissa Madrigal with the Concurrence of Council President Lynn Peterson

WHEREAS, Metro Code chapter 3.07, *Urban Growth Management Functional Plan* (UGMFP), has requirements and recommendations for partner cities and counties, as well as for Metro itself, that advance land use policies of the Regional Framework Plan; and

WHEREAS, Metro Code chapter 3.09, *Local Government Boundary Changes*, has requirements for changes to various types of boundaries in the region, including annexations to the "Metro boundary," which is the jurisdictional boundary for Metro as a metropolitan service district under state law; and

WHEREAS, a review of these two chapters identified minor typographic errors, outdated citations, inconsistencies, and opportunities for clarification and better organization that have accumulated since the last package of "housekeeping" amendments to chapter 3.07 was adopted in 2015, and since chapter 3.09 was last amended in 2012; and

WHEREAS, Metro Council Resolution No. 22-5293 directs that, whenever a Metro Code chapter is amended for any purpose, the chapter also be amended as necessary to incorporate inclusive and plain language best practices that emphasize accessibility and readability, appropriately address all audiences, and remove biases; and

WHEREAS, the Oregon Land Conservation and Development Commission recently adopted amendments to Oregon Administrative Rules chapter 660, division 23 requiring Metro to provide notice of hearings on proposed amendments to Metro's urban growth boundary (UGB) directly to Tribes, and those procedural requirements warrant codification in UGMFP Title 14, *Urban Growth Boundary*; and

WHEREAS, other UGMFP titles, including Title 7, *Housing Choice*, Title 11, *Planning for New Urban Areas*, and Title 13, *Nature in Neighborhoods*, include provisions that were either time-limited and already no longer in force, or that have been made redundant by recent changes in state law, and should therefore be repealed; and

WHEREAS, amendments to chapter 3.09 can further clarify that Metro Code does not prohibit hookups to utility lines that already exist outside the UGB, or extension of lines that already exist outside the UGB to serve rural properties, while deferring to state restrictions on and allowances for extension of utility services to and through areas outside of the UGB; and

WHEREAS, chapter 1, section 3 of the Metro Charter states that changes to the Metro boundary are not effective unless approved by ordinance; and

WHEREAS, Oregon House Bill 2356 of the 2025 legislative session amended Oregon Revised Statutes chapter 268 to provide that, when a city within the Metro UGB annexes a territory on or after January 1, 2026, and that territory is within the Metro UGB, the territory is annexed to the Metro district without further proceedings; and

WHEREAS, public awareness of proposed UGB amendments and Metro boundary annexations can be improved by requiring notice of such actions be posted on Metro's website, while costs, including those borne by applicants for annexation to the Metro boundary, can be reduced by repealing certain requirements for printing and posting of plastic notice signs and publication of notices in a newspaper; and

WHEREAS, the amendments to the Metro Code shown in Exhibit A are consistent with applicable state and Metro requirements, for the reasons detailed in the findings included in Exhibit B; and

WHEREAS, the Metro Technical Advisory Committee voted on October 15, 2025, to recommend to the Metro Policy Advisory Committee (MPAC) that the amendments in Exhibit A be recommended for adoption by the Metro Council; and

WHEREAS, MPAC voted on November 19, 2025, to recommend that the amendments in Exhibit A be adopted by the Metro Council; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code chapter 3.07, *Urban Growth Management Functional Plan*, and chapter 3.09, *Local Government Boundary Changes*, are hereby amended as shown in Exhibit A, attached to and incorporated into this ordinance.

2. As provided by ORS chapter 268, when a city within the Metro UGB annexes a territory on or after January 1, 2026, and that territory is within the Metro UGB, the territory is annexed to the Metro boundary without further proceedings.

3. The Findings of Fact and Conclusions of Law in Exhibit B, attached to and incorporated into this ordinance, demonstrate compliance with applicable state and Metro requirements.

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

_____
Lynn Peterson, Council President

Attest:

_____
Georgia Langer, Recording Secretary

Approved as to form:

_____
Carrie MacLaren, Metro Attorney

Chapters 3.07 and 3.09 of the Metro Code are amended as follows, with underlined text representing inserted text and ~~strikethrough~~ representing deleted text:

Chapter 3.07 – Title 1, *Housing Capacity*

~~**REGIONAL FUNCTIONAL PLAN REQUIREMENTS**~~

Title 1: ~~Housing Capacity~~HOUSING CAPACITY

3.07.110 Purpose and Intent

The Regional Framework Plan calls for a compact urban form and a "fair-share" approach to meeting regional housing needs. It is the purpose of ~~Title 1~~this title to accomplish these policies by requiring each city and county to maintain or increase its housing capacity except as provided in section 3.07.120. [Ord. 97-715B, Sec. 1. Ord. 02-969B, Sec. 1. Ord. 10-1244B, Sec. 2.]

3.07.120 Housing Capacity

(a) A city or county may reduce the minimum zoned capacity of the Central City or a Regional Center, Town Center, Corridor, Station Community or Main Street under subsection (d) or (e) of this section. A city or county may reduce its minimum zoned capacity in other locations under subsections (c), (d) or (e) of this section.

(b) Each city and county ~~shall~~ must adopt a minimum dwelling unit density for each zone in which dwelling units are authorized except for zones that authorize mixed-use as defined in section 3.07.1010(gg). If a city or county has not adopted a minimum density for such a zone prior to March 16, 2011, the city or county ~~shall~~ must adopt a minimum density that is at least 80 percent of the maximum density.

(c) A city or county may reduce its minimum zoned capacity by one of the following actions if it increases minimum zoned capacity by an equal or greater amount in other places where the increase is reasonably likely to be realized within the 20-year planning period of Metro's last capacity analysis under ORS ~~197.299~~197A.350:

(1) Reduce the minimum dwelling unit density, described in subsection (b) of this section, for one or more zones;

(2) Revise the development criteria or standards for one or more zones; or

(3) Change its zoning map such that the city's or county's minimum zoned capacity would be reduced.

Action to reduce minimum zoned capacity may be taken any time within two years after action to increase capacity.

(d) A city or county may reduce the minimum zoned capacity of a zone without increasing minimum zoned capacity in another zone ~~for one or more of the following purposes~~:

(1) To re-zone the area to allow industrial use under Title 4 of this chapter, *Industrial and Other Employment Areas*, or an educational or medical facility similar in scale to those listed in section 3.07.1340(d)(5)(B)(i) ~~of Title 13 of this chapter~~; or

(2) To protect natural resources pursuant to Title~~s~~ 3 ~~or 13~~ of this chapter, *Water Quality and Flood Management*, or pursuant to section 3.07.1330(h).

(e) A city or county may reduce the minimum zoned capacity of a single lot or parcel so long as the reduction has a negligible effect on the city's or county's overall minimum zoned residential capacity.

(f) A city or county may amend its comprehensive plan and land use regulations to transfer minimum zoned capacity to another city or county upon a demonstration that:

(1) A transfer between designated Centers, Corridors or Station Communities does not result in a net reduction in the minimum zoned capacities of the Centers, Corridors or Station Communities involved in the transfer; and

(2) The increase in minimum zoned capacity is reasonably likely to be realized within the 20-year planning period of Metro's last capacity analysis under ORS 197A.~~299~~362.

(g) A city or county ~~shall~~ must authorize the establishment of at least one accessory dwelling unit for each detached single-family dwelling unit in each zone that authorizes detached single-family dwellings. The authorization may be subject to reasonable regulation for siting and design purposes. [Ord. 97-715B, Sec. 1. Ord. 02-972A, Sec. 1. Ord. 02-969B, Sec. 1. Ord. 07-1137A, Sec. 1. Ord. 10-1244B, Sec. 2. Ord. 15-1357.]

Title 3: ~~Water Quality And Flood Management~~WATER QUALITY AND FLOOD MANAGEMENT

3.07.310 Purpose and Intent

The Regional Framework Plan calls for maintaining watershed health to benefit people, fish and wildlife. It is the purpose and intent of this title to ~~To~~ protect ~~the~~ beneficial water uses, and functions and values of water resources, within the Water Quality and Flood Management Areas by limiting or mitigating the impact on these areas from development activities and protecting life and property from dangers associated with flooding. [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 1. Ord. 00-839, Sec. 1. Ord. 05-1077C, Sec. 6.]

3.07.320 Applicability

(a) ~~Title 3~~This title applies to:

(1) Development in Water Quality Resource and Flood Management Areas.

(2) Development which may cause temporary or permanent erosion on any property within the Metro ~~Boundary~~boundary.

(b) ~~Title 3~~This title does not apply to work necessary to protect, repair, maintain, or replace existing structures, utility facilities, roadways, driveways, accessory uses and exterior improvements in response to emergencies provided that after the emergency has passed, adverse impacts are mitigated in accordance with the performance standards in ~~Section~~ section 3.07.340. [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 1. Ord. 00-839, Sec. 1. Ord. 02-972A, Sec. 1. Ord. 05-1077C, Sec. 6.]

3.07.330 Implementation Alternatives for Cities and Counties

(a) Cities and counties ~~shall~~ must comply with this title in one of the following ways:

(1) Amend their comprehensive plans and implementing ordinances or regulations to: adopt all or part of the *Title 3 Model Ordinance* (adopted as Exhibit C to Metro Council Ordinance No. 98-730C) or code language that substantially complies with the performance standards in ~~Section~~ section 3.07.340 and the intent of this title~~,~~; and adopt either the *Metro Water Quality and Flood Management Area Map* (adopted as Exhibit D to Metro Council Ordinance No. 98-730C) or a map ~~which~~ that is substantially ~~complies with the Metro map~~similar to that map. Cities and counties may choose one of the following options for applying this section:

(A) Adopt code language implementing this title which prevails over the ~~map~~ *Metro Water Quality and Flood Management Area Map* and uses the map as reference; or

(B) Adopt a city or county field verified map of Water Quality and Flood Management Areas based on the *Metro Water Quality and Flood*

Management ~~map~~ Map implementing this title which prevails over adopted code language.

Field verification is a process of identifying or delineating Protected Water Features, Water Quality Resource Areas and Flood Management Areas shown on the *Metro Water Quality and Flood Management Areas ~~map~~Map*. This process includes examination of information such as site visit reports, wetlands inventory maps, aerial photographs, and public input and review. The field verification process ~~shall~~ must result in a locally adopted ~~W~~water ~~Q~~quality and ~~F~~flood ~~M~~management ~~A~~areas map ~~which~~ that:

(i) Applies the ~~Title 10~~ definitions of "Protected Water Feature," "Water Quality Resource Areas" and "Flood Management Areas" in Title 10 of this chapter, *Urban Growth Management Functional Plan Definitions*, to all those protected areas on the *Metro Water Quality and Flood Management Areas ~~map~~ Map* to show the specific boundaries of those protected areas on ~~the~~ a locally adopted ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Areas~~ areas map; and

(ii) Is subject to amendment by applying adopted code language to add Protected Water Features, Water Quality Resource Areas and ~~and~~ to correct errors in ~~the~~ a locally adopted ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Areas~~ areas map consistent with ~~Section~~ section 3.07.330(d).

(2) Demonstrate that existing city and county comprehensive plans and implementing ordinances or regulations substantially comply with the performance standards in ~~Section~~ section 3.07.340 and the intent of this title.

(3) Any combination of paragraphs (1) and (2) above that substantially complies with all performance standards in ~~Section~~ section 3.07.340.

(b) Cities and counties ~~shall~~ must hold at least one public hearing prior to adopting comprehensive plan amendments, ordinances or regulations and maps implementing the performance standards in ~~Section~~ section 3.07.340 ~~of this title~~ or demonstrating that existing city or county comprehensive plans and implementing ordinances or regulations substantially comply with ~~Section~~ section 3.07.340, to add ~~Protected~~ protected ~~Water~~ water ~~Features~~features~~,~~ and wetlands ~~which~~ that meet the criteria in ~~Section~~ section 3.07.340(e)(3), to their ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Area~~ areas map. The proposed comprehensive plan amendments, implementing ordinances or regulations and maps shall be available for public review at least 45 days prior to the public hearing.

(c) Cities and counties ~~shall~~ must conduct a review of their ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Areas~~ areas map concurrent with local periodic review required by ORS 197.629.

(d) Some areas which would otherwise be mapped as Protected Water Features, Water Quality Resource Areas and Flood Management Areas do not appear on the *Metro Water Quality and Flood Management Areas ~~map~~ Map* because streams had been culverted, wetlands had been filled or a fill permit had been approved, or the area was demonstrated to have existing conflicting water dependent uses, or existing plans or agreements for such uses, or the area was developed or committed to other uses.

Notwithstanding any other provision of this title, cities and counties are not required to establish Protected Water Features, Water Quality Resource Areas and Flood Management Areas through adopted code provisions or mapping for areas which were examined but not included on the *Metro Water Quality and Flood Management Areas ~~map~~ Map~~adopted by the Metro Council~~*. [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 1. Ord. 00-839, Sec. 1. Ord. 02-972A, Sec. 1. Ord. 15-1357.]

3.07.340 Performance Standards

(a) Flood Management Performance Standards.

(1) The purpose of ~~these standards~~ this subsection (a) is to reduce the risk of flooding, prevent or reduce risk to human life and property, and maintain functions and values of floodplains such as allowing for the storage and conveyance of stream flows through existing and natural flood conveyance systems.

(2) All development, excavation and fill in the Flood Management Areas ~~shall~~ must conform to the following performance standards:

(A) Development, excavation and fill ~~shall~~ must be performed in a manner to maintain or increase flood storage and conveyance capacity and not increase design flood elevations.

(B) All fill placed at or below the design flood elevation in Flood Management Areas ~~shall~~ must be balanced with at least an equal amount of soil material removal.

(C) Excavation ~~shall~~ must not be counted as compensating for fill if such areas will be filled with water in non-storm winter conditions.

(D) Minimum finished floor elevations for new habitable structures in the Flood Management Areas ~~shall~~ must be at least one foot above the design flood elevation.

(E) Temporary fills that were permitted during construction ~~shall~~ must be removed.

(F) Uncontained areas of hazardous materials as defined by the Oregon Department of Environmental Quality (DEQ) in the Flood Management Area ~~shall~~ must be prohibited.

(3) The following uses and activities are not subject to the requirements of this subsection ~~(2)~~:

(A) Excavation and fill necessary to plant new trees or vegetation.

(B) Excavation and fill required for the construction of detention facilities or structures, and other facilities such as levees specifically designed to reduce or mitigate flood impacts. Levees ~~shall~~ must not be used to create vacant buildable lands.

(C) New culverts, stream crossings, and transportation projects may be permitted if designed as balanced cut and fill projects or designed to not significantly raise the design flood elevation. Such projects ~~shall~~ must be designed to minimize the area of fill in Flood Management Areas and to minimize erosive velocities. Stream crossing ~~shall~~ must be as close to perpendicular to the stream as practicable. Bridges ~~shall~~ must be used instead of culverts wherever practicable.

(b) Water Quality Performance Standards.

(1) The purpose of ~~these standards~~ this subsection (b) is to: ~~1)~~ protect and improve water quality to support ~~the~~ designated beneficial water uses as defined in Title 10, *Urban Growth Management Functional Plan Definitions*, of this chapter; and ~~2)~~ protect the functions and values of ~~the~~ Water Quality Resource Areas which include, but are not limited to:

(A) Providing a vegetated corridor to separate Protected Water Features from development;

(B) Maintaining or reducing stream temperatures;

(C) Maintaining natural stream corridors;

(D) Minimizing erosion, nutrient and pollutant loading into water;

(E) Filtering, infiltration and natural water purification; and

(F) Stabilizing slopes to prevent landslides contributing to sedimentation of water features.

(2) Local codes ~~shall~~ must require all development in Water Quality Resource Areas to conform to the following performance standards:

(A) The Water Quality Resource Area is the vegetated corridor and the ~~Protected~~ protected ~~Water~~ water ~~Feature~~feature. The width of the vegetated corridor is specified in Table 3.07-3, *Protected Water Features*. At least three slope measurements along the water feature, at no more than 100-foot increments, ~~shall~~ must be made for each property for which development is proposed. Depending on the width of the property, the width of the vegetated corridor will vary.

(B) Water Quality Resource Areas ~~shall~~ must be protected, maintained, enhanced or restored as specified in ~~Section 3.07.340(b)(2)~~this paragraph (2).

(C) Prohibit development that will have a significant negative impact on the functions and values of the Water Quality Resource Area, which

cannot be mitigated in accordance with ~~subsection~~ paragraph (2)(F) of this subsection.

(D) Native vegetation ~~shall~~ must be maintained, enhanced or restored, if disturbed, in the Water Quality Resource Area. Invasive non-native or noxious vegetation may be removed from the Water Quality Resource Area. Use of native vegetation ~~shall~~ must be encouraged to enhance or restore the Water Quality Resource Area. This ~~shall~~ does not preclude construction of energy dissipaters at outfalls consistent with watershed enhancement, and as approved by local surface water management agencies.

(E) Uncontained areas of hazardous materials as defined by DEQ in ~~the~~ a Water Quality Resource Area ~~shall~~ must be prohibited.

(F) Cities and counties may allow development in Water Quality Resource Areas provided that the governing body, or its designate, implements procedures which:

(i) Demonstrate that no practicable alternatives to the requested development exist which will not disturb the Water Quality Resource Area; and

(ii) If there is no practicable alternative, limit the development to reduce the impact associated with the proposed use; and

(iii) Where the development occurs, require mitigation to ensure that the functions and values of the Water Quality Resource Area are restored.

(G) Cities and counties may allow development for repair, replacement or improvement of utility facilities so long as the Water Quality Resource Area is restored consistent with ~~Section~~ paragraph (2)(D) ~~3.07.340(b)(2)(D)~~of this subsection.

(H) The performance standards of ~~Section~~ paragraph ~~3.07.340(b)~~(2) of this subsection do not apply to routine repair and maintenance of existing structures, roadways, driveways, utilities, accessory uses and other development.

(3) For lots or parcels which are fully or predominantly within the Water Quality Resource Area and are demonstrated to be unbuildable by the vegetative corridor regulations, cities and counties ~~shall~~ must reduce or remove vegetative corridor regulations to assure the lot or parcel will be buildable while still providing the maximum vegetated corridor practicable. Cities and counties ~~shall~~ must encourage landowners to voluntarily protect these areas through various means, such as conservation easements and incentive programs.

(c) Erosion and Sediment Control.

(1) The purpose of this subsection (c) is to require erosion prevention measures and sediment control practices during and after construction to prevent the discharge of sediments.

(2) Erosion prevention techniques ~~shall~~ must be designed to prevent visible and measurable erosion as defined in Title 10 of this chapter, *Urban Growth Management Functional Plan Definitions*.

(3) To the extent erosion cannot be completely prevented, sediment control measures ~~shall~~ must be designed to capture, and retain on-site, soil particles that have become dislodged by erosion.

(d) Implementation Tools to Protect Water Quality and Flood Management Areas.

(1) Cities and counties ~~shall~~ must either: adopt land use regulations~~,~~ which authorize transfer of permitted units and floor area to mitigate the effects of development restrictions in Water Quality and Flood Management Areas~~,~~; or adopt other measures that mitigate the effects of development restrictions.

(2) Metro encourages ~~local governments~~cities and counties to require that approvals of applications for partitions, subdivisions and design review actions be conditioned upon one of the following:

(A) Protection of Water Quality and Flood Management Areas with a conservation easement;

(B) Platting Water Quality and Flood Management Areas as common open space; or

(C) Offer of sale or donation of property to public agencies or private non-profits for preservation where feasible.

(3) Additions, alterations, rehabilitation or replacement of existing structures, roadways, driveways, accessory uses and development in the Water Quality and Flood Management Area may be allowed provided that:

(A) The addition, alteration, rehabilitation or replacement is not inconsistent with applicable city and county regulations~~,~~; ~~and~~

(B) The addition, alteration, rehabilitation or replacement does not encroach closer to the Protected Water Feature than the existing structures, roadways, driveways or accessory uses and development~~,~~; and

(C) The addition, alteration, rehabilitation or replacement satisfies ~~Section~~ the requirements in subsection (c) ~~3.07.340(c)~~ of this section~~title~~.

(D) In determining appropriate conditions of approval, the affected city or county ~~shall~~ must require the applicant to:

(i) Demonstrate that no reasonably practicable alternative design or method of development exists that would have a lesser impact on the Water Quality Resource Area than the one proposed; ~~and~~

(ii) If no such reasonably practicable alternative design or method of development exists, the project should be conditioned to limit its disturbance and impact on the Water Quality Resource to the minimum extent necessary to achieve the proposed addition, alteration, restoration, replacement or rehabilitation; and

(iii) Provide mitigation to ensure that impacts to the functions and values of the Water Quality Resource Area will be mitigated or restored to the extent practicable.

(4) Cities and counties may choose not to apply the Water Quality and Flood Management Area performance standards of ~~Section 3.07.340~~this section to development necessary for the placement of structures when it does not require a grading or building permit.

(5) Metro encourages cities and counties to provide for restoration and enhancement of degraded Water Quality Resource Areas through conditions of approval when development is proposed, or through incentives or other means.

(6) Cities and counties ~~shall~~ must apply the performance standards of this title to Title 3 Wetlands ~~as~~ shown on the *Metro Water Quality and Flood Management Areas Map* and locally adopted ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Areas~~ areas maps. Cities and counties may also apply the performance standards of this title to other wetlands.

(e) Map Administration.

Cities and counties ~~shall~~ must amend their comprehensive plans and implementing ordinances or regulations to provide a process for each of the following:

(1) Amendments to city- and ~~county~~ county-adopted ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Area~~ area maps to correct the location of Protected Water Features, Water Quality Resource Areas and Flood Management Areas. Amendments ~~shall~~ must be initiated within 90 days of the date the city or county receives information establishing a possible map error.

(2) Modification of the Water Quality Resource Area upon demonstration that the modification will offer the same or better protection of water quality, the ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Area~~ area and ~~Protected~~ protected ~~Water~~ water ~~Feature~~feature.

(3) Amendments to city and county adopted ~~Water~~ water ~~Quality~~ quality and ~~Flood~~ flood ~~Management~~ management ~~Area~~ area maps to add Title 3

Wetlands when the city or county receives significant evidence that a wetland meets any one of the following criteria:

(A) The wetland is fed by surface flows, sheet flows or precipitation, and has evidence of flooding during the growing season, and has 60 percent or greater vegetated cover, and is over one-half acre in size; or

The wetland qualifies as having "intact water quality function" under the 1996 Oregon Freshwater Wetland Assessment Methodology; or

(B) The wetland is in the Flood Management Area, and has evidence of flooding during the growing season, and is five acres or more in size, and has a restricted outlet or no outlet; or

The wetland qualifies as having "intact hydrologic control function" under the 1996 Oregon Freshwater Wetland Assessment Methodology; or

(C) The wetland or a portion of the wetland is within a horizontal distance of less than one-fourth mile from a water body which meets the Department of Environmental Quality definition of "water quality limited" water body in Oregon Administrative Rules (OAR) ~~Chapter~~ chapter 340, ~~Division~~ division 41.

Examples of significant evidence that a wetland exists that may meet the criteria above are a wetland assessment conducted using the 1996 Oregon Freshwater Wetland Assessment Methodology, or correspondence from the Oregon Division of State Lands that a wetland determination or delineation has been submitted or completed for property in the city or county.

(4) Cities and counties are not required to apply the criteria in ~~Section~~ paragraph ~~3.07.340(e)~~(3) of this subsection to water quality or stormwater detention facilities. [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 1. Ord. 00-839, Sec. 1. Ord. 02-972A, Sec. 1. Ord. 05-1077C, Sec. 6. Ord. 15-1357.]

3.07.350 Fish and Wildlife Habitat Conservation Area [Repealed Ord. 05-1077C, Sec. 6.]

3.07.360 Metro Model Ordinance Required

Metro ~~shall~~ must adopt a *Water Quality and Flood Management Areas Model Ordinance* and *Water Quality and Flood Management Areas ~~map~~Map*. The *Model Ordinance* ~~shall~~ must represent one method of complying with this title. The *Model Ordinance* ~~shall~~ must be advisory, and cities and counties are not required to adopt the *Model Ordinance*, or any part thereof, to substantially comply with this title. However, cities and counties which adopt the *Model Ordinance* in its entirety and ~~a~~ the *Water Quality and Flood Management Areas Map* ~~shall~~ must be deemed to have substantially complied with the requirements of this title. [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 2. Ord. 00-839, Sec. 1. Ord. 05-1077C, Sec. 6.)

3.07.370 Variances [Repealed, Ord. 05-1077C, Sec. 6]

Table 3.07-3, – *Protected Water Features*

(~~Section~~ Referenced in paragraph (2)(A) of subsection 3.07.340(b)~~(2)(A)~~)

Protected Water Feature Type (see definitions in footnotes)	**Slope Adjacent to Protected Water Feature**	**Starting Point for Measurements from Water Feature**	**Width of Vegetated Corridor**
Primary Protected Water Features[1]	< 25~~%~~ percent	• Edge of bankfull flow or ~~2~~two-year storm level; • Delineated edge of Title 3 ~~w~~Wetland	50 feet
Primary Protected Water Features[1]	≥ 25~~%~~ percent for 150 feet or more[5]	• Edge of bankfull flow or ~~2~~two-year storm level; • Delineated edge of Title 3 ~~w~~Wetland	200 feet
Primary Protected Water Features[1]	≥ 25~~%~~ percent for less than 150 feet[5]	• Edge of bankfull flow or ~~2~~two-year storm level; • Delineated edge of Title 3 ~~w~~Wetland	Distance from starting point of measurement to top of ravine (break in ≥25~~%~~ percent slope)[3], plus 50 feet.[4]
Secondary Protected Water Features[2]	< 25~~%~~ percent	• Edge of bankfull flow or ~~2~~two-year storm level; • Delineated edge of Title 3 ~~w~~Wetland	15 feet
Secondary Protected Water Features[2]	≥ 25~~%~~percent[5]	• Edge of bankfull flow or ~~2~~two-year storm level; • Delineated edge of Title 3 ~~w~~Wetland	50 feet

1 Primary Protected Water Features include: all rivers, perennial streams, and streams draining greater than 100 acres, Title 3 ~~w~~Wetlands, natural lakes and springs.

2 Secondary Protected Water Features include intermittent streams draining 50-100 acres.

3 Where the Protected Water Feature is confined by a ravine or gully, the top of ravine is the break in the ≥ 25~~%~~ percent slope (see slope measurement in the Appendix to Exhibit A to Metro Council Ordinance No. 98-730C).

4 A maximum reduction of 25 feet may be permitted in the width of vegetated corridor beyond the slope break if a geotechnical report demonstrates that slope is stable. To establish the width of the vegetated corridor, slope should be measured in 25-foot increments away from the water feature until slope is less than 25~~%~~ percent (top of ravine).

[5] Vegetated corridors in excess of 50-feet for primary protected features, or in excess of 15-feet for secondary protected features, apply on steep slopes only in the *uphill* direction from the protected water feature. [Ord. 98-730C, Sec. 1.]

Title 6: ~~Centers, Corridors, Station Communities and Main Streets~~CENTERS, CORRIDORS, STATION COMMUNITIES AND MAIN STREETS

3.07.610 Purpose and Intent

The Regional Framework Plan (RFP) identifies three types of Centers – the Central City, Regional Centers and Town Centers – Corridors, Main Streets and Station Communities throughout the region on the 2040 Growth Concept Map and recognizes them as the principal centers of urban life in the region. Pursuant to Oregon Administrative Rules (OAR) 660-012-0012(4)(d), ~~Title 6~~this title requires cities and counties to define the boundaries of Centers for which they have adopted urban land use plan designations in their comprehensive plans. To enhance the intended role of the Centers, Corridors, Main Streets and Station Communities in the region, ~~Title 6~~this title also calls for voluntary actions and investments by cities and counties, complemented by regional investments. A "regional investment" is: an investment in a new high-capacity transit line; or a designated regional investment in a grant or funding program that is either administered by Metro or subject to Metro's approval. [Ord. 97-715B, Sec. 1. Ord. 98-721A, Sec. 1. Ord. 02-969B, Sec. 7. Ord. 10-1244B, Sec. 5. Ord. 24-1523.]

3.07.615 Adoption of Boundaries for Centers

(a) By December 31, 2025, each city and county must adopt boundaries for all Centers identified on the 2040 Growth Concept Map for which the city or county has adopted urban land use designations in their comprehensive plan, unless portions of the Center have boundaries already adopted by another city or county with planning jurisdiction for the Center.

(b) Each city and county must adopt boundaries for any other Center identified on Metro's 2040 Growth Concept Map when the city or county designates the area of that Center for urban land uses in their comprehensive plan, unless portions of the Center have boundaries already adopted by another city or county with planning jurisdiction for the Center.

(c) Identified boundaries for Centers that are adopted pursuant to ~~Section~~ this section ~~3.07.615~~ must be located in the general area of the Center as identified on the 2040 Growth Concept Map.

(d) By February 1, 2026, cities and counties must identify to Metro the boundaries of each Center that they have adopted pursuant to ~~Section~~ this section ~~3.07.615~~ as of December 31, 2025. After December 31, 2025, cities and counties must notify Metro of any new or revised Center boundaries within 31 days of adopting those new or revised Center boundaries.

(e) Cities and counties must comply with the requirements of this section notwithstanding the generally applicable two-year ~~functional plan~~Urban Growth Management Functional Plan compliance deadline in ~~Sub~~section 3.07.810(b). [Ord. 24-1523.]

3.07.620 Actions and Investments in Centers, Corridors, Station Communities and Main Streets

(a) In order to be eligible for a regional investment in a Center, Corridor, Station Community or Main Street, or a portion thereof, a city or county must take the following actions:

(1) Establish a boundary for the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to ~~Sub~~section 3.07.620(b);

(2) Perform an assessment of the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to ~~Sub~~section 3.07.620(c); and

(3) Adopt a plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to ~~Sub~~section 3.07.620(d).

(b) The boundary of a Center, Corridor, Station Community or Main Street, or portion thereof, must:

(1) Be consistent with the general location shown in the 2040 Growth Concept Map except, for a proposed new Station Community, be consistent with Metro's land use final order for a light rail transit project;

(2) For a Corridor with existing high-capacity transit service, include at least those segments of the Corridor that pass through a Regional Center or Town Center;

(3) For a Corridor designated for future high-capacity transit in the Regional Transportation Plan (RTP), include the area identified during the system expansion planning process in the RTP; and

(4) Be adopted and may be revised by the city council or county board following notice of the proposed boundary action to the Oregon Department of Transportation and to Metro in the manner set forth in ~~Subsection~~ section 3.07.820(a) ~~of this chapter~~.

(c) An assessment of a Center, Corridor, Station Community or Main Street, or portion thereof, must analyze the following:

(1) Physical and market conditions in the area;

(2) Physical and regulatory barriers to mixed-use, pedestrian-friendly and transit-supportive development in the area;

(3) The city or county development code that applies to the area to determine how the code might be revised to encourage mixed-use, pedestrian-friendly and transit-supportive development;

(4) Existing and potential incentives to encourage mixed-use pedestrian-friendly and transit-supportive development in the area; and

(5) For Corridors and Station Communities in areas shown as ~~Industrial Area or~~ Regionally Significant Industrial Area or Industrial Area ~~under Title 4~~on the

Title 4 Industrial and Other Employment Areas Map, barriers to a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP.

(d) A plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street must consider the assessment completed under ~~Subsection~~ subsection ~~3.07.620~~(c) of this section and include at least the following elements:

(1) Actions to eliminate, overcome or reduce regulatory and other barriers to mixed-use, pedestrian-friendly and transit-supportive development;

(2) Revisions to its comprehensive plan and land use regulations, if necessary, to allow:

(A) In Regional Centers, Town Centers, Station Communities and Main Streets, the mix and intensity of uses specified in ~~Section~~ section 3.07.640; and

(B) In Corridors and those Station Communities in areas shown as ~~Industrial Area or~~ Regionally Significant Industrial Area or Industrial Area~~in Title 4 of this chapter~~ on the *Title 4 Industrial and Other Employment Areas Map*, a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP;

(3) Public investments and incentives to support mixed-use pedestrian-friendly and transit-supportive development; and

(4) A plan to achieve the non-SOV mode share targets, adopted by the city or county pursuant to ~~Subsections~~ sections 3.08.230(a) and (b) of chapter 3.08, *the* ~~RTFP~~*Regional Transportation Functional Plan*, that includes:

(A) The transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1, *Transportation System Design*, of ~~the RTFP~~chapter 3.08;

(B) A transportation system or demand management plan consistent with ~~Section~~ section 3.08.160 of ~~the RTFP~~chapter 3.08; and

(C) A parking management program for the Center, Corridor, Station Community or Main Street, or portion thereof, consistent with ~~Section~~ section 3.08.410 of ~~the RTFP~~chapter 3.08.

(e) A city or county that has completed all or some of the requirements of ~~Subsections~~ subsections ~~3.07.620~~(b), (c), and (d) of this section may seek recognition of that compliance from Metro by written request to the COO.

(f) Compliance with the requirements of this section is not a prerequisite to:

(1) Investments in Centers, Corridors, Station Communities or Main Streets that are not regional investments; or

(2) Investments in areas other than Centers, Corridors, Station Communities and Main Streets. [Ord. 97-715B, Sec. 1. Ord. 98-721A, Sec. 1. Ord. 02-969B, Sec. 7. Ord. 10-1244B, Sec. 5. Ord. 24-1523.]

3.07.630 Eligibility Actions for Lower Mobility Standards and Trip Generation Rates

(a) A city or county is eligible to use the higher volume-to-capacity standards in Table 7 of the 1999 Oregon Highway Plan when considering an amendment to its comprehensive plan or land use regulations in a Center, Corridor, Station Community or Main Street, or portion thereof, if it has taken the following actions:

(1) Established a boundary pursuant to ~~Subsection~~ section 3.07.620(b); and

(2) Adopted land use regulations to allow the mix and intensity of uses specified in ~~Section~~ section 3.07.640.

(b) A city or county is eligible for an automatic reduction of 30 percent below the vehicular trip generation rates reported by the Institute of Traffic Engineers when analyzing the traffic impacts, pursuant to OAR 660-012-0060, of a plan amendment in a Center, Corridor, Main Street or Station Community, or portion thereof, if it has taken the following actions:

(1) Established a boundary pursuant to ~~Subsection~~ section 3.07.620(b);

(2) Revised its comprehensive plan and land use regulations, if necessary, to allow the mix and intensity of uses specified in ~~Section~~ section 3.07.640 and to prohibit new auto-dependent uses that rely principally on auto trips, such as gas stations, car washes and auto sales lots; and

(3) Adopted a plan to achieve the non-SOV mode share targets adopted by the city or county pursuant to ~~Subsections~~ sections 3.08.230(a) and (b)of ~~the RTFP~~chapter 3.08, that includes:

(A) Transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1, *Transportation System Design*, of ~~the RTFP~~chapter 3.08;

(B) A transportation system or demand management plan consistent with ~~Section~~ section 3.08.160 of ~~the RTFP~~chapter 3.08; and

(C) A parking management program for the Center, Corridor, Station Community or Main Street, or portion thereof, consistent with section 3.08.410 of ~~the RTFP~~chapter 3.08. [Ord. 97-715B, Sec. 1. Ord. 98-721A, Sec. 1. Ord. 02-969B, Sec. 7. Ord. 10-1244B, Sec. 5. Ord. 24-1523.]

3.07.640 Activity Levels for Centers, Corridors, Station Communities and Main Streets

(a) Centers, Corridors, Station Communities and Main Streets need a critical number of residents and workers to be vibrant and successful. The following average number of residents and workers per acre is recommended for each:

(1) Central City - 250 persons

(2) Regional Centers - 60 persons

(3) Station Communities - 45 persons

(4) Corridors - 45 persons

(5) Town Centers - 40 persons

(6) Main Streets - 39 persons

(b) Centers, Corridors, Station Communities and Main Streets need a mix of uses to be vibrant and walkable. The following mix of uses is recommended for each:

(1) The amenities identified in the most current version of the *State of the Centers: Investing in Our Communities*, such as grocery stores and restaurants;

(2) Institutional uses, including schools, colleges, universities, hospitals, medical offices and facilities;

(3) Civic uses, including government offices open to and serving the general public, libraries, city halls and public spaces.

(c) Centers, Corridors, Station Communities and Main Streets need a mix of housing~~s~~ types to be vibrant and successful. The following mix of housing types is recommended for each:

(1) The types of housing identified as "needed housing" in ORS 197.303(1)(a)~~–~~ to (e);

(2) The types of housing identified in the city's or county's housing need analysis completed pursuant to ORS 197.296 or Statewide Planning Goal 10, ~~(~~*Housing*~~)~~; and

(3) Accessory dwellings pursuant to ~~Section~~ section 3.07.120~~ of this chapter~~. [Ord. 97-715B, Sec. 1. Ord. 98-721A, Sec. 1. Ord. 02-969B, Sec. 7. Ord. 10-1244B, Sec. 5. Ord. 15-1357. Ord. 24-1523.]

3.07.650 Title 6 Centers, Corridors, Station Communities and Main Streets Map

(a) The 2040 Growth Concept Map's depiction of Centers, Corridors, Station Communities and Main Streets ~~Map~~ is incorporated in this title as the ~~"~~*Title 6 Centers, Corridors, Station Communities and Main Street Map*~~"~~ and is Metro's representation of their boundaries. The map shows the boundaries established pursuant to this title.

(b) A city or county may revise the boundary of a Center, Corridor, Station Community or Main Street so long as the boundary is consistent with the general location on the 2040 Growth Concept Map in the RFP and the revision is made consistent with all other requirements of this title. The city or county must provide notice of its proposed revision as prescribed in ~~Subsection~~ section 3.07.620(b).

(c) The COO must revise the *Title 6 Centers, Corridors, Station Communities and Main Streets Map*, as well as the 2040 Growth Concept Map and any other relevant maps, by order to conform such maps to establishment or revision of a boundary under this title. [Ord. 02-969B, Sec. 7; Ord. 10-1244B, Sec. 5; Ord. 11-1264B, Sec. 1. Ord. 24-1523.]

Title 6Centers, Corridors, Station Communities and Main Streets Map as of March 5, 2025 [COO Order 12-073. COO Order 21-001.]

HELD FOR TITLE 6 MAP

Title 7: ~~Housing Choice~~HOUSING CHOICE

3.07.710 Purpose and Intent

The Regional Framework Plan (RFP) calls for establishment of voluntary affordable housing production goals to be adopted by local governments and assistance from local governments on reports on progress towards increasing the supply of affordable housing. It is the purpose and intent of ~~Title 7~~this title to implement these policies of the ~~Regional Framework Plan~~RFP. [Ord. 97-715B, Sec. 1. Ord. 00-882C, Sec. 2. Ord. 06-1129B, Sec. 2. ~~3.07.720 Voluntary Affordable Housing Production Goals~~

~~Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7, as amended over time, as a guide to measure progress toward increasing housing choices and meeting the affordable housing needs of households with incomes between 0 percent and 50 percent of the regional median family income.~~Ord. 97-715B, Sec. 1. Ord. 00-882C, Sec.2. Ord. 03-1005A. Ord. 06-1129B, Sec. 2. Ord. 00-882C, Sec. 2.] ~~]~~

~~Table 3.07-7~~

~~Five-Year Voluntary Affordable Housing Production Goals~~

~~(Section 3.07.720)~~

~~Jurisdiction~~	~~2001-2006 Affordable Housing Production Goals~~		
	~~**Needed new housing units for households earning less than 30% of median household income**~~	~~**Needed new housing units for households earning 30-50% of median household income**~~	~~**Total**~~
~~**Beaverton**~~	~~**427**~~	~~**229**~~	~~**656**~~
~~**Cornelius**~~	~~**40**~~	~~**10**~~	~~**50**~~
~~**Durham**~~	~~**6**~~	~~**4**~~	~~**10**~~
~~**Fairview**~~	~~**42**~~	~~**31**~~	~~**73**~~
~~**Forest Grove**~~	~~**55**~~	~~**10**~~	~~**65**~~
~~**Gladstone**~~	~~**43**~~	~~**10**~~	~~**53**~~
~~**Gresham**~~	~~**454**~~	~~**102**~~	~~**556**~~
~~**Happy Valley**~~	~~**29**~~	~~**28**~~	~~**57**~~
~~**Hillsboro**~~	~~**302**~~	~~**211**~~	~~**513**~~
~~**Johnson City**~~	~~**0**~~	~~**0**~~	~~**0**~~
~~**King City**~~	~~**5**~~	~~**0**~~	~~**5**~~
~~**Lake Oswego**~~	~~**185**~~	~~**154**~~	~~**339**~~
~~**Maywood Park**~~	~~**0**~~	~~**0**~~	~~**0**~~
~~**Milwaukie**~~	~~**102**~~	~~**0**~~	~~**102**~~
~~**Oregon City**~~	~~**123**~~	~~**35**~~	~~**158**~~
~~**Portland**~~	~~**1,791**~~	~~**0**~~	~~**1,791**~~
~~**Rivergrove**~~	~~**1**~~	~~**1**~~	~~**2**~~
~~**Sherwood**~~	~~**67**~~	~~**56**~~	~~**123**~~
~~**Tigard**~~	~~**216**~~	~~**103**~~	~~**319**~~
~~**Troutdale**~~	~~**75**~~	~~**56**~~	~~**131**~~
~~**Tualatin**~~	~~**120**~~	~~**69**~~	~~**189**~~

~~Jurisdiction~~	~~2001-2006 Affordable Housing Production Goals~~		
	~~**Needed new housing units for households earning less than 30% of median household income**~~	~~**Needed new housing units for households earning 30-50% of median household income**~~	~~**Total**~~
~~**West Linn**~~	~~**98**~~	~~**71**~~	~~**169**~~
~~**Wilsonville**~~	~~**100**~~	~~**80**~~	~~**180**~~
~~**Wood Village**~~	~~**16**~~	~~**1**~~	~~**17**~~
~~**Clackamas County, Urban, Unincorporated**~~	~~**729**~~	~~**374**~~	~~**1,103**~~
~~**Multnomah County, Urban, Unincorporated***~~	~~**81**~~	~~**53**~~	~~**134**~~
~~**Washington County, Urban Unincorporated**~~	~~**1,312**~~	~~**940**~~	~~**2,252**~~
~~**Total**~~	~~**6,419**~~	~~**2,628**~~	~~**9,047**~~

~~*** Strategies and implementation measures addressing these housing goals are in the Progress Reports of the Cities of Portland, Gresham and Troutdale.**~~

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance or Regulation Changes

Cities and counties within the Metro region ~~shall~~ must ensure that their comprehensive plans and implementing ordinances or regulations:

(a) Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.

(b) Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.

(c) Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing. [Ord. 97-715B, Sec. 1. Ord. 00-882, Sec. 2. Ord. 03-1005A, Sec. 1. Ord. 06-1129B, Sec. 2.]

3.07.740 Inventory and Progress Reports on Housing Supply

(a) Local governments ~~shall~~ must assist Metro in the preparation of a biennial affordable housing inventory by fulfilling the reporting requirements in subsection (b) of this section.

(b) Local governments ~~shall~~ must report their progress on increasing the supply of affordable housing to Metro on a form ~~-~~provided by Metro, to be included as part of the biennial housing inventory described in subsection (a) of this section. Local governments ~~shall~~ must submit their first progress reports on July 31, 2007, and by April 15 every two years following that date. Progress reports ~~shall~~ must include, at least, the following information:

(1) The number and types of units of affordable housing preserved and income groups served during the reporting period, as defined ~~in~~ on Metro's form;

(2) The number and types of units of affordable housing built and income groups served during the reporting period;

(3) Affordable housing built and preserved in Centers and Corridors; and

(4) City or county resources committed to the development of affordable housing, such as fee waivers and property tax exemptions. [Ord. 00-882C, Sec. 2. Ord. 03-005A, Sec. 1. Ord. 06-1129B, Sec. 2. Ord. 15-1357.]

3.07.750 Technical Assistance

Cities and counties are encouraged to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal of increased production and preservation of housing choices and affordable housing and to help fulfill the monitoring and reporting requirements of this title. [Ord. 00-882C, Sec. 2. Ord. 03-1005A, Sec. 1. Ord. 06-1129B, Sec. 2.]

3.07.760 Recommendations to Implement Other Affordable Housing Strategies

[Repealed, Ord. 06-1129B, Sec. 2.]

Title 8: ~~Compliance Procedures~~COMPLIANCE PROCEDURES

3.07.810 Compliance ~~With~~ with the Urban Growth Management Functional Plan

(a) The purposes of this ~~chapter~~ title are to: establish a process for ensuring city or county compliance with requirements of this chapter ~~the *Urban Growth Management Functional Plan*~~; and for evaluating and informing the region about the effectiveness of those requirements. Where the terms "compliance" and "comply" appear in this title, the terms ~~shall~~ have the meaning given to "substantial compliance" in section 3.07.1010.

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

(c) After one year following acknowledgment of a ~~functional plan~~ requirement of this chapter, cities and counties that amend their comprehensive plans and land use regulations ~~shall~~ must make such amendments in compliance with the new ~~functional plan~~ requirement of this chapter.

(d) Cities and counties whose comprehensive plans and land use regulations do not yet comply with the new functional plan requirement ~~shall~~must, after one year following acknowledgment of the requirement, make land use decisions consistent with the requirement. The COO ~~shall~~ must notify cities and counties of the date upon which ~~functional plan~~Urban Growth Management Functional Plan (UGMFP) requirements become applicable to land use decisions at least 120 days before that date. For the purposes of ~~this~~ subsection (d) of this section, "land use decision" ~~shall have~~has the meaning of that term as defined in ORS 197.015(10).

(e) An amendment to a city or county comprehensive plan or land use regulation ~~shall be~~is deemed to comply with ~~the functional plan~~this chapter upon the expiration of the appropriate appeal period specified in ORS 197.830 or 197.650 or, if an appeal is made, upon the final decision on appeal. Once the amendment is deemed to comply, the ~~functional plan~~ requirement of this chapter ~~shall~~ will no longer apply to land use decisions made in conformance with the amendment.

(f) An amendment to a city or county comprehensive plan or land use regulation ~~shall be~~is deemed to comply with ~~the functional plan~~this chapter as provided in subsection (e) of this section only if the city or county provided notice to the COO as required by ~~subsection (a) of~~ section 3.07.820(a). [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 4. Ord. 00-839, Sec. 1. Ord. 00-882C, Sec. 2. Ord. 01-925E, Sec. 1. Ord. 02-972A, Sec. l. Ord. 05-1077C, Sec. 6. Ord. 10-1244B, Sec. 7.]

3.07.820 Review by the Chief Operating Officer

(a) A city or county proposing an amendment to a comprehensive plan or land use regulation ~~shall~~ must submit the proposed amendment to the COO at least 35 days prior to the first evidentiary hearing on the amendment. The COO may request, and if so the city or county ~~shall~~ must submit, an analysis of compliance of the amendment with ~~the functional plan~~this chapter. If the COO submits comments on the proposed amendment to the city or county, the comment ~~shall~~ must include analysis and conclusions on compliance and a recommendation with specific revisions to the proposed amendment, if any, that would bring it into compliance with ~~the functional plan~~this chapter. The COO ~~shall~~ must send a copy of their comment to those persons who have requested a copy.

(b) If the COO concludes that the proposed amendment does not comply with ~~the functional plan~~this chapter, the COO ~~shall~~ must advise the city or county that it may:

(1) Revise the proposed amendment as recommended in the COO's analysis;

(2) Seek an extension of time, pursuant to section 3.07.830, to bring the proposed amendment into compliance with ~~the functional plan~~this chapter; or

(3) Seek an exception pursuant to section 3.07.840. [Ord. 97-715B, Sec. 1. Ord. 98-730C, Sec. 5, 6, 7. Ord. 98-727C, Sec. 1. Ord. 00-839, Sec. 1. Ord. 00-882C, Sec. 2. Ord. 01-925E, Sec. 1. Ord. 02-972A, Sec. 1. Ord. 10-1244B, Sec. 7. Ord. 15-1357.]

3.07.830 Extension of Compliance Deadline

(a) A city or county may seek an extension of time for compliance with a ~~functional plan~~ requirement of this chapter. The city or county ~~shall~~ must file an application for an extension on a form provided by the COO. Upon receipt of an application, the COO ~~shall~~ must notify the city or county and those persons who request notification of applications for extensions. Any person may file a written comment in support of or opposition to the extension.

(b) The COO may grant an extension by order if the city or county is making progress toward compliance or there is good cause for failure to meet the deadline for compliance. Within 30 days after the filing of a complete application for an extension, the COO ~~shall~~ must issue an order granting or denying the extension. The COO ~~shall~~ may not grant more than two time extensions ~~of time~~. The COO ~~shall~~ must send the order to the city or county and any person who filed a written comment.

(c) The COO may establish terms and conditions for the extension in order to ensure that compliance is achieved in a timely and orderly fashion and that land use decisions made by the city or county during the extension do not undermine the ability of the city or county to achieve the purposes of the ~~functional plan~~ requirement of this chapter. A term or condition must relate to the requirement of ~~the functional plan~~this chapter to which the COO has granted the extension.

(d) The city or county, ~~applicant~~ or any person, ~~who~~ that filed written comment on the extension may appeal the COO's order to the Metro Council within 15 days after

receipt of the order. If an appeal is filed, the Metro Council ~~shall~~ must hold a hearing to consider the appeal. After the hearing, the Metro Council ~~shall~~ must issue an order granting or denying the extension and ~~shall~~ must send copies to the applicant and any person who participated in the hearing. The city or county or a person who participated in the proceeding may seek review of the Metro Council's order as a land use decision described in ORS 197.015(10)(a)(A). [Ord. 97-715B, Sec. 1. Ord. 98-727C, Sec. 2. Ord. 01-925E, Sec. 1. Ord. 02-972A, Sec. l. Ord. 10-1244B, Sec. 7.]

3.07.840 Exception from Compliance

(a) A city or county may seek an exception from compliance with a ~~functional plan~~ requirement of this chapter by filing an application on a form provided by the COO. Upon receipt of an application, the COO ~~shall~~ must notify the city or county and those persons who request notification of requests for exceptions. Any person may file a written comment in support of or opposition to the exception.

(b) Except as provided in subsection (c) of this section, the COO may grant an exception by order if:

(1) It is not possible to ~~achieve~~ satisfy the requirement due to topographic or other physical constraints or due to an existing development pattern;

(2) ~~This~~ The exception and likely similar exceptions will not render the objective of the requirement unachievable region-wide;

(3) The exception will not reduce the ability of another city or county to comply with the requirement; and

(4) The city or county seeking the exception has adopted other measures more appropriate for the city or county to achieve the intended result of the requirement.

(c) The COO may grant an exception to the housing capacity requirements in section 3.07.120 by order if:

(1) The city or county has completed the analysis of capacity for dwelling units required by section 3.07.120;

(2) It is not possible to comply with the requirements due to topographic or other physical constraints, an existing development pattern, or protection of natural resources pursuant to Title~~s~~ 3, *Water Quality and Flood Management*, or Title 13, *Nature in Neighborhoods*, ~~of this chapter~~; and

(3) ~~This~~ The exception and other similar exceptions will not render the ~~targets~~ objective of the requirement unachievable region-wide.

(d) The COO may establish terms and conditions for ~~the~~ an exception granted pursuant to section 3.07.840 in order to ensure that ~~it~~ a requirement of this chapter does not undermine the ability of the region to achieve the purposes of the requirement. A term or condition in the COO order granting an exception must relate to the

requirement of ~~the functional plan~~this chapter to which the COO grants the exception. The COO ~~shall~~ must ~~incorporate~~ identify the terms and conditions ~~into the order on the exception~~in the exception order.

(e) The city or county~~,~~ ~~applicant~~ or any person~~,~~ ~~who~~ that filed a written comment on the requested exception may appeal the COO's order to the Metro Council within 15 days after receipt of the order. If an appeal is filed, the Metro Council ~~shall~~ must hold a hearing to consider the appeal. After the hearing, the Metro Council ~~shall~~ must issue an order granting or denying the exception and send copies to the applicant and any person who participated in the hearing. The city or county or a person who participated in the proceeding may seek review of the Metro Council's order as a land use decision described in ORS 197.015(10)(a)(A). -[Ord. 97-715B, Sec. 1. Ord. 01-925E, Sec. 1. Ord. 02-972A, Sec. l. Ord. 10-1244B, Sec. 7.]

3.07.850 Enforcement of ~~Functional Plan~~the UGMFP

(a) The Metro Council may initiate enforcement of a requirement of this chapter if a city or county has failed to meet a deadline for compliance with ~~a functional plan~~the requirement or if the Metro Council has good cause to believe that a city or county is engaged in a pattern or a practice of decision-making that is inconsistent with ~~the functional plan~~this chapter, ordinances or regulations adopted by the city or county to implement ~~the plan~~this chapter, or the terms or conditions in an extension or an exception granted pursuant to sections 3.07.830 or 3.07.840, respectively. The Metro Council may consider whether to initiate enforcement proceedings upon the request of the COO or a Metro Councilor. The Metro Council ~~shall~~ must consult with the city or county before it determines there is good cause to proceed to a hearing under subsection (b) of this section.

(b) If the Metro Council decides there is good cause, the Metro Council President ~~shall~~ must set the matter for a public hearing before the Metro Council within 90 days of its decision. The COO ~~shall~~ must publish notice of the hearing ~~in a newspaper of general circulation in the city or county~~on Metro's website and send notice to the city or county, MPAC and any person who requests a copy of such notices.

(c) The COO ~~shall~~ must prepare a report and recommendation on the pattern or practice, with a proposed order, for consideration by the Metro Council. The COO ~~shall~~ must publish the report at least 14 days prior to the public hearing and send a copy to the city or county and any person who requests a copy.

(d) At the conclusion of the hearing, the Metro Council ~~shall~~ must adopt an order that dismisses the matter if it decides the city or county complies with the requirement. If the Metro Council decides the city or county has failed to meet a deadline for compliance with a ~~functional plan~~ requirement of this chapter or has engaged in a pattern or a practice of decision-making that is inconsistent with ~~the functional plan~~this chapter, ordinances or regulations adopted by the city or county to implement ~~the plan~~this chapter, or terms or conditions of an extension or an exception granted pursuant to sections 3.07.830 or 3.07.840, respectively, the Metro Council may adopt an order that:

(1) Directs changes in the city or county ordinances or regulations necessary to remedy the pattern or practice; or

(2) Includes a remedy authorized in ORS 268.390(7).

(e) The Metro Council ~~shall~~ must issue its order not later than 30 days following the hearing and send copies to the city or county, MPAC and any person who requests a copy. [Ord. 97-715B, Sec. 1. Ord. 01-925E, Sec. 1. Ord. 02-972A, Sec. l. Ord. 10-1244B, Sec. 7.]

3.07.860 ~~Citizen~~ Public Involvement in Compliance Review

(a) Any person may contact Metro staff or the COO or appear before the Metro Council to raise issues regarding ~~local functional plan~~ compliance with this chapter, to request Metro participation in ~~the local~~a city or county process, or to request the COO ~~to~~ appeal a ~~local~~ city or county enactment for which notice is required pursuant to ~~subsection (a) of~~ section 3.07.820(a). Such contact may be oral or in writing and may be made at any time.

(b) In addition to considering requests as described in subsection (a) of this section ~~above~~, the Metro Council ~~shall~~ must at every regularly scheduled meeting provide an opportunity for people to address the Metro Council on any matter related to this functional plan. The COO ~~shall~~ must maintain a list of persons who request notice in writing of COO reviews, reports and orders and proposed actions under this chapter and ~~shall~~ must send requested documents as provided in this chapter.

(c) Cities, counties and the Metro Council ~~shall~~ must comply with their own adopted and acknowledged public involvement requirements, such as those adopted pursuant to Statewide Land Use Planning Goal 1 "Citizen Involvement", ~~Requirements (Citizen Involvement)~~ in all decisions, determinations and actions taken to implement and comply with this ~~functional plan~~chapter. The COO ~~shall~~ must publish a ~~citizen~~ public involvement fact sheet, after consultation with the Metro Public Engagement Review Committee (PERC), that describes opportunities for ~~citizen~~ public involvement in Metro's growth management procedures as well as the implementation and enforcement of this ~~functional plan~~chapter. [Ord. 97-715B, Sec. 1. Ord. 01-925E, Sec. 1. Ord. 02-972A, Sec. l. Ord. 10-1244B, Sec. 7. Ord. 15-1357.]

3.07.870 Compliance Report

(a) The COO ~~shall~~ must submit a report to the Metro Council by ~~March 1~~January 31 of each calendar year on the status of compliance by cities and counties with the requirements of the ~~Urban Growth Management Functional Plan~~this chapter. The COO ~~shall~~ must send a copy of the report to MPAC, JPACT, PERC and each city and county within Metro.

(b) A city, county or person who disagrees with a determination in the compliance report may seek review of the determination by the Metro Council by written request to the COO. The Metro Council ~~shall~~ must notify the requestor, all cities and counties, MPAC, JPACT, PERC, the Department of Land Conservation and

Development and any person who requests notification of the review. The notification ~~shall~~ must state that the Metro Council does not have jurisdiction to:

(1) Determine whether previous amendments of comprehensive plans or land use regulations made by a city or county comply with ~~functional plan~~ requirements of this chapter if those amendments already comply pursuant to ~~subsections (e) and (f) of~~ sections 3.07.810(e) and (f); or

(2) Reconsider a determination in a prior order issued under this section that a city or county complies with a requirement of ~~the functional plan~~this chapter.

(c) Following its review at a public hearing, the Metro Council ~~shall~~ must adopt an order that determines whether the city or county complies with the ~~functional plan~~ requirement of this chapter raised in the request. The order ~~shall~~ must be based upon the COO's compliance report and testimony received at the public hearing. The COO ~~shall~~ must send a copy of the order to cities and counties and any person who testifies, orally or in writing, at the public hearing.

(d) A city or county or a person who participated, orally or in writing, at the public hearing~~,~~ may seek review of the Metro Council's order as a land use decision described in ORS 197.015(10)(a)(A). -[Ord. 01-925E, Sec. 2. Ord. 02-972A, Sec. l. Ord. 10-1244B, Sec. 7. Ord. 15-1357.]

3.07.875 Title 4 Industrial and Other Employment Areas Report

By January 31 of each year, the COO must submit a written report to the Metro Council and MPAC regarding the cumulative effects on industrial and other employment lands in the region of the amendments to the *Title 4 Industrial and Other Employment Areas Map* made pursuant to section 3.07.450 during the preceding year. The report must include any recommendations the COO deems appropriate on measures the Metro Council might take to address the effects.

TITLE 10: URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN DEFINITIONS

3.07.1010 Definitions

For the purpose of this ~~functional plan~~chapter, the following definitions ~~shall~~ apply:

Archaeological site has the meaning provided in Oregon Administrative Rules (OAR) 660-023-0210(1)(a).

Balanced cut and fill means no net increase in fill within the floodplain.

COO means Metro's Chief Operating Officer.

Comprehensive plan means the ~~all~~ all-inclusive, generalized, coordinated land use map and policy statement of cities and counties defined in ORS 197.015(5).

Cultural areas has the meaning provided in OAR 660-023-0210(1)(b).

DBH means the diameter of a tree measured at breast height.

Design flood elevation means the elevation of the 100-year storm as defined in Federal Emergency Management Agency (FEMA) Flood Insurance Studies or, in areas without FEMA floodplains, the elevation of the 25-year storm, or the edge of mapped flood prone soils or similar methodologies.

Design ~~type~~Type means the conceptual areas described in the Metro 2040 Growth Concept ~~text and m~~Map in ~~Metro's regional goals and objectives~~the Regional Framework Plan (RFP), and includes~~ing~~ the ~~c~~Central ~~c~~City, ~~r~~Regional ~~c~~Centers, ~~t~~Town ~~c~~Centers, ~~s~~Station ~~c~~Communities, ~~c~~Corridors, ~~m~~Main ~~s~~Streets, ~~n~~Neighborhoods, Regionally Significant Industrial Areas (RSIAs), ~~i~~Industrial ~~a~~Areas~~,~~ and ~~e~~Employment ~~a~~Areas.

Designated beneficial water uses means the same as the term as defined by the Oregon Department of Water Resources, which is: an instream public use of water for the benefit of an appropriator for a purpose consistent with the laws and the economic and general welfare of the people of the state and includes, but is not limited to, domestic, fish life, industrial, irrigation, mining, municipal, pollution abatement, power development, recreation, stockwater and wildlife uses.

Development means any man-made change defined as buildings or other structures, mining, dredging, paving, filling, or grading in amounts greater than ~~ten (~~10~~)~~ cubic yards on any lot or excavation. In addition, any other activity that results in the removal of more than 10 percent of the vegetation in the Water Quality Resource Area on the lot is defined as development, for the purpose of Title 3 of this chapter, *Water Quality and Flood Management*, except that less than 10 percent removal of vegetation on a lot must comply with section 3.07.340(c)~~, *Erosion and Sediment Control*~~. In addition, any other activity that results in the removal of more than either 10 percent or 20,000 square feet of the vegetation in the Habitat Conservation Areas (HCAs) on the lot is defined as development, for the purpose of Title 13 of this chapter, *Nature in Neighborhoods*. Development does not include the following: (1) Stream enhancement or restoration projects approved by cities and counties; (2) Farming practices as defined in ORS 30.930 and farm use as defined in ORS 215.203, except that buildings associated with farm practices and farm uses are

subject to the requirements of Title~~s~~ 3, *Water Quality and Flood Management*, and Title 13, *Nature in Neighborhoods*~~,~~ ~~of this functional plan~~; and (3) Construction on lots in subdivisions meeting the criteria of ORS 92.040(2).

Development application means an application for a land use decision, limited land decision including expedited land divisions, but excluding partitions as defined in ORS 92.010(7) and ministerial decisions such as a building permit.

Division means a partition or a subdivision as those terms are defined in ORS chapter 92.

Ecological functions means the biological and hydrologic characteristics of healthy fish and wildlife habitat. Riparian ecological functions include microclimate and shade, streamflow moderation and water storage, bank stabilization and sediment/pollution control, sources of large woody debris and natural channel dynamics, and organic material sources. Upland wildlife ecological functions include size of habitat area, amount of habitat with interior conditions, connectivity of habitat to water resources, connectivity to other habitat areas, and presence of unique habitat types.

Emergency means any man-made or natural event or circumstance causing or threatening loss of life, injury to person or property, and includes, but is not limited to, fire, explosion, flood, severe weather, drought earthquake, volcanic activity, spills or releases of oil or hazardous material, contamination, utility or transportation disruptions, and disease.

Enhancement means the process of improving upon the natural functions and/or values of an area or feature which has been degraded by human activity. Enhancement activities may or may not return the site to a pre-disturbance condition, but create/recreate processes and features that occur naturally.

Fill means any material such as, but not limited to, sand, gravel, soil, rock or gravel that is placed in a wetland or floodplain for the purposes of development or redevelopment.

Flood Areas means those areas contained within the 100-year floodplain and floodway as shown on the ~~Federal Emergency Management Agency~~FEMA Flood Insurance Maps and all lands that were inundated in the February 1996 flood.

Flood Management Areas means all lands contained within the 100-year floodplain, flood area and floodway as shown on the ~~Federal Emergency Management Agency~~FEMA Flood Insurance Maps and the area of inundation for the February 1996 flood. In addition, all lands which have documented evidence of flooding.

Floodplain means land subject to periodic flooding, including the 100-year floodplain as mapped by FEMA Flood Insurance Studies or other substantial evidence of actual flood events.

Growth Concept Map means the ~~conceptual map demonstrating the~~ 2040 Growth Concept ~~design types attached to this plan~~of the RFP[1].

Habitat Conservation Area ~~or~~ and **HCA** mean~~s~~ an area identified on the *Habitat Conservation Areas Map* (adopted as Exhibit C, Attachment 1 to Metro Council Ordinance

[1] ~~On file in the Metro Council office.~~

No. 05-1077C with any subsequent amendments) and subject to the performance standards and best management practices described in ~~Metro Code~~ section 3.07.1340.

Habitat-friendly development means a method of developing property that has less detrimental impact on fish and wildlife habitat than does traditional development methods. Examples include clustering development to avoid habitat, using alternative materials and designs such as pier, post, or piling foundations designed to minimize tree root disturbance, managing storm water on-site to help filter rainwater and recharge groundwater sources, collecting rooftop water in rain barrels for reuse in site landscaping and gardening, and reducing the amount of effective impervious surface created by development.

Habitats of Concern means the following unique or unusually important wildlife habitat areas, as identified based on cite specific information provided by local wildlife or habitat experts: Oregon white oak woodlands, bottomland hardwood forests, wetlands, native grasslands, riverine islands or deltas, and important wildlife migration corridors.

Hazardous materials means materials described as hazardous by Oregon Department of Environmental Quality.

Implementing ordinances or regulations means any city or county land use regulation as defined by ORS 197.015(11) which includes zoning, land division or other ordinances or regulations which establish standards for implementing a comprehensive plan.

Invasive non-native or noxious vegetation means plants listed as nuisance plants or prohibited plants on the *Metro Native Plant List*, as adopted by Metro Council ~~resolution~~ Resolution No. 98-2708 and any subsequent amendments, because they are plant species that have been introduced and, due to aggressive growth patterns and lack of natural enemies in the area where introduced, spread rapidly into native plant communities.

Land Conservation and Development Commission ~~or~~ and **LCDC** mean~~s~~ the Oregon Land Conservation and Development Commission.

Land use regulation means any local government zoning ordinance, land division ordinance adopted under ORS 92.044 or 92.046 or similar general ordinance or regulation establishing standards for implementing a comprehensive plan, as defined in ORS 197.015.

Large-format retail commercial buildings means a building intended for retail commercial use with more than 60,000 square feet of gross leasable area, or that amount or more of retail sales area on a single lot or parcel, or that amount or more on contiguous lots or parcels including lots or parcels separated only by a transportation right-of-way.

Local program effective date means the effective date of a city's or county's new or amended comprehensive plan and implementing ordinances or regulations adopted to comply with ~~Title 13 of the Urban Growth Management Functional Plan, Metro Code~~ sections 3.07.1310 to 3.07.1370. If a city or county is found to be in substantial compliance with Title 13, *Nature in Neighborhoods*, without making any amendments to its comprehensive plan or land use regulations, then the local program effective date ~~shall be~~is December 28, 2005. If a city or county amends its comprehensive plan or land use regulations to comply with Title 13, then the local program effective date ~~shall be~~is the effective date of the city's or county's amendments to its comprehensive plan or land use

regulations, but in no event ~~shall~~ may the local program effective date be later than two years after Title 13 is acknowledged by LCDC. For territory brought within ~~the~~ Metro's UGB after December 28, 2005, the local program effective date ~~shall be~~is the effective date of the ordinance adopted by the Metro Council to bring such territory within the ~~Metro~~ UGB.

Metro means the regional government of the metropolitan area, the elected Metro Council as the policy setting body of the government.

Metro boundary means the ~~jurisdictional~~ boundary of Metro~~, the elected regional government of the metropolitan area~~ as a metropolitan service district.

MPAC means the Metro~~politan~~ Policy Advisory Committee established pursuant to Metro Charter, ~~C~~chapter V, ~~S~~section ~~27~~26.

Mitigation means the reduction of adverse effects of a proposed project by considering, in the following order: (1) avoiding the impact altogether by not taking a certain action or parts of an action; (2) minimizing impacts by limiting the degree or magnitude of the action and its implementation; (3) rectifying the impact by repairing, rehabilitating or restoring the affected environment; (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action by monitoring and taking appropriate measures; and (5) compensating for the impact by replacing or providing comparable substitute water quality resource areas or ~~habitat conservation areas~~ HCAs.

Mixed use means comprehensive plan or implementing regulations that permit a mixture of commercial and residential development.

Mixed-use development includes areas of a mix of at least two of the following land uses and includes multiple tenants or ownerships: residential, retail and office. This definition excludes large, single-use land uses such as colleges, hospitals, and business campuses. Minor incidental land uses that are accessory to the primary land use should not result in a development being designated as "mixed-use development." The size and definition of minor incidental, accessory land uses allowed within large, single-use developments should be determined by cities and counties through their comprehensive plans and implementing ordinances or regulations.

Native vegetation ~~or~~ and **native plant** mean~~s~~ any vegetation listed as a native plant on the Metro Native Plant List as adopted by Metro Council resolution and any other vegetation native to the Portland metropolitan area provided that it is not listed as a nuisance plant or a prohibited plant on the Metro Native Plant List.

Net acre means an area measuring 43,560 square feet which excludes:

- Any developed road rights-of-way through or on the edge of the land; and
- Environmentally constrained areas, including any open water areas, floodplains, natural resource areas protected under ~~statewide~~ Statewide ~~planning~~ Planning Goal 5, *Natural Resources, Scenic and Historic Areas, and Open Spaces*, in the comprehensive plans of cities and counties in the region, slopes in excess of 25 percent and wetlands requiring a Federal fill and removal permit under Section 404 of the Clean Water Act. These excluded areas do not include lands for which the local zoning code provides a density bonus or other mechanism which allows the

transfer of the allowable density or use to another area or to development elsewhere on the same site; and
- All publicly-owned land designated for park and open spaces uses.

Net developed acre consists of 43,560 square feet of land, after excluding present and future rights-of-way, school lands and other public uses.

Net vacant buildable land means all vacant land less all land that is: (1) within Water Quality Resource Areas; (2) within ~~Habitat Conservation Area~~HCAs; (3) publicly owned by a local, state or federal government; (4) burdened by major utility easements; and (5) necessary for the provision of roads, schools, parks, churches, and other public facilities.

Perennial streams means all primary and secondary perennial waterways as mapped by the U.S. Geological Survey.

Performance measure means a measurement derived from technical analysis aimed at determining whether a planning policy is achieving the expected outcome or intent associated with the policy.

Person-trips means the total number of discrete trips by individuals using any mode of travel.

Persons per acre means the intensity of building development by combining residents per acre and employees per acre.

Practicable means available and capable of being done after taking into consideration cost, existing technology, and logistics in light of overall project purpose. As used in Title 13 of this chapter, *Nature in Neighborhoods*~~, of this functional plan~~, "practicable" means available and capable of being done after taking into consideration cost, existing technology, and logistics in light of overall project purpose and probable impact on ecological functions.

Primarily developed means areas where less than 10~~%~~ percent of parcels are either vacant or underdeveloped.

Property owner means a person who owns the primary legal or equitable interest in the property.

Protected Water Features. Primary Protected Water Features ~~shall~~ include:

- Title 3 ~~w~~Wetlands; and
- Rivers, streams, and drainages downstream from the point at which 100 acres or more are drained to that water feature (regardless of whether it carries year-round flow); and
- Streams carrying year-round flow; and
- Springs which feed streams and wetlands and have year-round flow; and
- Natural lakes.
- Secondary Protected Water Features ~~shall~~ include intermittent streams and seeps downstream of the point at which 50 acres are drained and upstream of the point at which 100 acres are drained to that water feature.

Public facilities and services means sewers, water service, stormwater services and transportation.

Redevelopable land means land on which development has already occurred, which due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive uses during the planning period.

Regionally significant fish and wildlife habitat means those areas identified on the *Regionally Significant Fish and Wildlife Habitat Inventory Map*~~,~~ (adopted as Exhibit A to Metro Council Ordinance No. 05-1077C, subsequently amended and described in ~~Metro Code~~ section 3.07.1320) as regionally significant natural resource sites.

Restoration means the process of returning a disturbed or altered area or feature to a previously existing natural condition. Restoration activities reestablish the structure, function, and/or diversity to that which occurred prior to impacts caused by human activity.

Retail means activities which include the sale, lease or rent of new or used products to the general public or the provision of product repair or services for consumer and business goods.

Riparian area means the water influenced area adjacent to a river, lake or stream consisting of the area of transition from a hydric ecosystem to a terrestrial ecosystem where the presence of water directly influences the soil-vegetation complex and the soil-vegetation complex directly influences the water body. It can be identified primarily by a combination of geomorphologic and ecologic characteristics.

Rural reserve means an area designated rural reserve by Clackamas, Multnomah or Washington County pursuant to OAR chapter 660, ~~Division~~ division 27.

Significant negative impact means an impact that affects the natural environment, considered individually or cumulatively with other impacts on ~~the~~ a Water Quality Resource Area, to the point where existing water quality functions and values are degraded.

Straight-line distance means the shortest distance measured between two points.

Stream means a body of running water moving over the earth's surface in a channel or bed, such as a creek, rivulet or river. It flows at least part of the year, including perennial and intermittent streams. Streams are dynamic in nature and their structure is maintained through build-up and loss of sediment.

Substantial compliance means a city and county comprehensive plan~~s~~ and implementing ordinances or regulations, on the whole, conform~~s~~ with the purposes of the performance standards in ~~the functional plan~~this chapter and any failure to meet individual performance standard requirements is technical or minor in nature.

Title 3 Wetlands means wetlands of metropolitan concern as shown on the *Metro Water Quality and Flood Management Area Map*, as adopted as Exhibit D to Metro Council Ordinance No. 98-730C, and other wetlands added to city or county adopted ~~W~~water ~~Q~~quality and ~~F~~flood ~~M~~management ~~A~~area maps consistent with the criteria in ~~Title 3,~~

section 3.07.340(e)(3). Title 3 ~~w~~Wetlands do<u>es</u> not include artificially constructed and managed stormwater and water quality treatment facilities.

Top of bank means the same as "bankfull stage" defined in OAR 141-085-0510(~~5~~6).

Urban development value means the economic value of a property ~~lot or parcel~~ as determined by analyzing three separate variables: <u>its</u> assessed land value, <u>its</u> value ~~as a property that could~~<u>for</u> ~~generate~~ <u>generating</u> jobs (<u>i.e., its</u> "employment value"), and ~~the Metro 2040~~ <u>is</u> design type ~~designation of property~~<u>according to the 2040 Growth Concept Map</u>. The urban development value of all properties containing regionally significant fish and wildlife habitat is depicted on the ~~Metro~~ *Habitat Urban Development Value Map* <u>adopted as Exhibit C, Attachment 4 to Metro Council Ordinance No. 05-1077C, with any subsequent amendments and</u> referenced in ~~Metro Code~~ section 3.07.1340(e).

~~"UGB" means an urban growth boundary adopted pursuant to ORS chapter 197.~~

Underdeveloped parcels means those parcels of land with less than 10 percent of the net acreage developed with permanent structures.

<u>**Urban growth boundary** and **UGB** mean the urban growth boundary adopted pursuant to ORS chapter 197A.</u>

Urban reserve means an area designated urban reserve by the Metro Council pursuant to OAR <u>chapter</u> 660<u>,</u> ~~Division~~ <u>division</u> 27.

Utility facilities means buildings, structures or any constructed portion of a system which provides for the production, transmission, conveyance, delivery or furnishing of services including, but not limited to, heat, light, water, power, natural gas, sanitary sewer, stormwater, telephone and cable television.

Vacant land means land identified in ~~the~~ <u>a</u> Metro or local government inventory as undeveloped land.

Variance means a discretionary decision to permit modification of the terms of an implementing ordinance <u>or regulation</u> based on a demonstration of unusual hardship or exceptional circumstance unique to a specific property.

Visible or measurable erosion includes, but is not limited to:

- Deposits of mud, dirt sediment or similar material exceeding one-half cubic foot in volume on public or private streets, adjacent property, or onto the storm and surface water system, either by direct deposit, dropping discharge, or as a result of the action of erosion.
- Evidence of concentrated flows of water over bare soils; turbid or sediment laden flows; or evidence of on-site erosion such as rivulets on bare soil slopes, where the flow of water is not filtered or captured on the site.
- Earth slides, mudflows, earth sloughing, or other earth movement that leaves the property.

Water feature means all rivers, streams (regardless of whether they carry year-round flow, i.e., including intermittent streams), springs which feed streams and wetlands and

have year-round flow, Flood Management Areas, wetlands, and all other bodies of open water.

Water Quality and Flood Management Area means an area defined on the *Metro Water Quality and Flood Management Area Map*~~, to be attached hereto~~[2] adopted as Exhibit D to Metro Council Ordinance No. 98-730C. These are areas that require regulation in order to mitigate flood hazards and to preserve and enhance water quality. This area has been mapped to generally include the following: stream or river channels, known and mapped wetlands, areas with flood-prone soils adjacent to the stream, floodplains, and sensitive water areas. The sensitive areas are generally defined as 50 feet from top of bank of streams for areas of less than 25 percent slope, and 200 feet from top of bank on either side of the stream for areas greater than 25 percent slope, and 50 feet from the edge of a mapped wetland.

Water Quality Resource Areas means vegetated corridors and the adjacent water feature as established in Title 3, *Water Quality and Flood Management*.

Wetlands mean those areas inundated or saturated by surface or ground water at a frequency and duration sufficient to support and under normal circumstances do support a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs and similar areas. Wetlands are those areas identified and delineated by a qualified wetland specialist as set forth in the 1987 Corps of Engineers Wetland Delineation Manual and the Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Western Mountains, Valleys and Coast Region (Version 2.0), (May 2010).

Zoned capacity means the highest number of dwelling units or jobs that are allowed to be contained in an area by zoning and other city or county jurisdiction regulations. [Ord. 97-715B, Sec. 1. Ord. 98-721A, Sec. 1. Ord. 98-730C, Sec. 10. Ord. 00-839, Sec. 1. Ord. 00-869A, Sec. 2. Ord. 02-972A, Sec. l. Ord. 05-1077C, Sec. 6. Ord. 10-1244B, Sec. 9. Ord. 15-1357.]

[2] ~~On file in Metro Council office.~~

TITLE 11: PLANNING FOR NEW URBAN AREAS

3.07.1105 Purpose and Intent

The Regional Framework Plan calls for long-range planning to ensure that areas brought into the UGB are urbanized efficiently and become or contribute to mixed-use, walkable, transit-friendly communities. It is the purpose of ~~Title 11~~this title to guide such long-range planning for urban reserves and areas added to the UGB. It is also the purpose of ~~Title 11~~this title to provide interim protection for areas added to the UGB until city or county amendments to land use regulations to allow urbanization become applicable to the areas. [Ord. 99-818A, Sec. 3. Ord. 02-969B, Sec. 11. Ord. 10-1238A, Sec. 5. Ord. 11-1252A, Sec. 1.)

3.07.1110 Planning for Areas Designated Urban Reserve

(a) The county responsible for land use planning for an urban reserve and any city likely to provide governance or an urban service for the area, ~~shall~~must, in conjunction with Metro and appropriate service districts, develop a concept plan for the urban reserve prior to its addition to the UGB pursuant to sections 3.07.1420, 3.07.1430 or 3.07.1435 of this chapter. The date for completion of a concept plan and the area of urban reserves to be planned will be jointly determined by Metro and the county and city or cities.

(b) A local government, in creating a concept plan to comply with this section, ~~shall~~ must consider actions necessary to achieve the following outcomes:

(1) If the plan proposes a mix of residential and employment uses:

(A) A mix and intensity of uses that will make efficient use of the public systems and facilities described in subsection (c) of this section;

(B) A development pattern that supports pedestrian and bicycle travel to retail, professional and civic services;

(C) A range of housing of different types, tenure and prices addressing the housing needs in the prospective UGB expansion area in the context of the housing needs of the governing city, the county, and the region if data on regional housing needs are available, in order to help create economically and socially vital and complete neighborhoods and cities and avoiding the concentration of poverty and the isolation of families and people of modest means;

(D) Sufficient employment opportunities to support a healthy economy, including, for proposed employment areas, lands with characteristics, such as proximity to transportation facilities, needed by employers;

(E) Well-connected systems of streets, bikeways, parks, recreational trails and public transit that link to needed housing so as to reduce the combined cost of housing and transportation;

(F) A well-connected system of parks, natural areas and other public open spaces;

(G) Protection of natural ecological systems and important natural landscape features; and

(H) Avoidance or minimization of adverse effects on farm and forest practices and important natural landscape features on nearby rural lands.

(2) If the plan involves fewer than 100 acres or proposes to accommodate only residential or employment needs, depending on the need to be accommodated:

(A) A range of housing of different types, tenure and prices addressing the housing needs in the prospective UGB expansion area in the context of the housing needs of the governing city, the county~~,~~ and the region if data on regional housing needs are available, in order to help create economically and socially vital and complete neighborhoods and cities and avoiding the concentration of poverty and the isolation of families and people of modest means;

(B) Sufficient employment opportunities to support a healthy economy, including, for proposed employment areas, lands with characteristics, such as proximity to transportation facilities, needed by employers;

(C) Well-connected systems of streets, bikeways, pedestrian ways, parks, natural areas, recreation trails;

(D) Protection of natural ecological systems and important natural landscape features; and

(E) Avoidance or minimization of adverse effects on farm and forest practices and important natural landscape features on nearby rural lands.

(c) A concept plan ~~shall~~must:

(1) Show the general locations of any residential, commercial, industrial, institutional and public uses proposed for the area with sufficient detail to allow estimates of the cost of the public systems and facilities described in paragraph (2) of this subsection;

(2) For proposed sewer, park and trail, water and stormwater systems and transportation facilities, provide the following:

(A) The general locations of proposed sewer, park and trail, water and stormwater systems;

(B) The mode, function and general location of any proposed state transportation facilities, arterial facilities, regional transit and trail facilities and freight intermodal facilities;

(C) The proposed connections of these systems and facilities, if any, to existing systems;

(D) Preliminary estimates of the costs of the systems and facilities in sufficient detail to determine feasibility and allow cost comparisons with other areas;

(E) Proposed methods to finance the systems and facilities; and

(F) Consideration for protection of the capacity, function and safe operation of state highway interchanges, including existing and planned interchanges and planned improvements to interchanges.

(3) If the area subject to the concept plan calls for designation of land for industrial use, include an assessment of opportunities to create and protect parcels 50 acres or larger and to cluster uses that benefit from proximity to one another;

(4) If the area subject to the concept plan calls for designation of land for residential use, ~~the concept plan will~~ describe the goals for meeting the housing needs for the concept planning area in the context of the housing needs of the governing city, the county, and the region if data on regional housing needs are available. As part of this statement of objectives, the concept plan ~~shall~~ must identify the general number, price and type of market and nonmarket-provided housing. The concept plan ~~shall~~ must also identify preliminary strategies, including fee waivers, subsidies, zoning incentives and private and nonprofit partnerships, that will support the likelihood of achieving the outcomes described in subsection (b) of this section;

(5) Show ~~w~~Water ~~q~~Quality ~~r~~Resource ~~a~~Areas, ~~f~~Flood ~~m~~Management ~~a~~Areas and ~~habitat~~ Habitat ~~conservation~~ Conservation ~~areas~~ Areas that will be subject to performance standards under Title~~s~~ 3, *Water Quality and Flood Management,* and Title 13, *Nature in Neighborhoods* of this chapter;

(6) Be coordinated with the comprehensive plans and land use regulations that apply to nearby lands already within the UGB;

(7) Include an agreement between or among the county and the city or cities and service districts that preliminarily identifies which city, cities or districts will likely be the providers of urban services, as defined at ORS 195.065(4), when the area is urbanized;

(8) Include an agreement between or among the county and the city or cities that preliminarily identifies the local government responsible for comprehensive planning of the area, and the city or cities that will have authority to annex the area, or portions of it, following addition to the UGB;

(9) Provide that an area added to the UGB must be annexed to a city prior to, or simultaneously with, application of city land use regulations applying an

urban land use plan designation to the area ~~intended to comply with subsection (c) of section 3.07.1120~~; ~~and~~

(10) Be coordinated with schools districts, including coordination of demographic assumptions~~.~~; and

(11) Include written findings demonstrating how the concept plan satisfies the relevant requirements of this subsection (c).

(d) Concept plans ~~shall~~ must guide, but not bind:

(1) The designation of 2040 Growth Concept ~~design~~ Design ~~types~~ Types by the Metro Council;

(2) Conditions in the Metro ordinance that adds the area to the UGB; or

(3) Amendments to city or county comprehensive plans or land use regulations following addition of the area to the UGB.

(e) If the local governments responsible for completion of a concept plan under this section are unable to reach agreement on a concept plan by the date set under subsection (a) of this section, then the Metro Council may nonetheless add the area to the UGB if necessary to fulfill its responsibility under ORS chapter 197A~~.299~~ to ensure the UGB has sufficient capacity to accommodate forecasted growth. -[Ord. 98-772B, Sec. 2. Ord. 99-818A, Sec. 3. Ord. 02-969B, Sec. 11. Ord. 06-1110A, Sec. 1. Ord. 10-1238A, Sec. 5. Ord. 11-1252A, Sec. 1. Ord. 15-1357.]

3.07.1120 Planning for Areas Added to the UGB

(a) The county or city responsible for comprehensive planning of an area, as specified by the intergovernmental agreement adopted pursuant to section 3.07.1110(c)(7) or the ordinance that added the area to the UGB, ~~shall~~ must adopt comprehensive plan provisions and land use regulations for the area to address the requirements of subsection (c) of this section by the date specified by the ordinance or by section 3.07.1455(b)(4) ~~of this chapter~~.

(b) If the concept plan developed for the area pursuant to section 3.07.1110 assigns planning responsibility to more than one city or county, the responsible local governments ~~shall~~ must provide for concurrent consideration and adoption of proposed comprehensive plan provisions unless the ordinance adding the area to the UGB provides otherwise.

(c) Comprehensive plan provisions for the area ~~shall~~ must include:

(1) Specific plan designation boundaries derived from and generally consistent with the boundaries of design type designations assigned by the Metro Council in the ordinance adding the area to the UGB;

(2) Provision for annexation to a city and to any necessary service districts, including Metro as a metropolitan service district, prior to, or simultaneously with, application of city land use regulations ~~intended to comply with this subsection~~applying an urban land use plan designation;

(3) Provisions that ensure zoned capacity for the number and types of housing units, if any, specified by the Metro Council pursuant to section 3.07.1455(b)(2) ~~of this chapter~~;

(4) Provision for affordable housing consistent with Title 7 of this chapter, *Housing Choice*, ~~of this chapter~~ if the comprehensive plan authorizes housing in any part of the area.

(5) Provision for the amount of land and improvements needed, if any, for public school facilities sufficient to serve the area added to the UGB in coordination with affected school districts. This requirement includes consideration of any school facility plan prepared in accordance with ORS 195.110;

(6) Provision for the amount of land and improvements needed, if any, for public park facilities sufficient to serve the area added to the UGB in coordination with affected park providers.

(7) A conceptual street plan that identifies internal street connections and connections to adjacent urban areas to improve local access and improve the integrity of the regional street system. For areas that allow residential or mixed-use development, the plan ~~shall~~ must meet the standards for street connections in Metro Code chapter 3.08, *the Regional Transportation Functional Plan*; and

(8) Provision for the financing of local and state public facilities and services; and

(9) A strategy for protection of the capacity and function of state highway interchanges, including existing and planned interchanges and planned improvements to interchanges. ~~(d) The county or city responsible for comprehensive planning of an area shall submit to Metro a determination of the residential capacity of any area zoned to allow dwelling units, using a method consistent with a Goal 14 analysis, within 30 days after adoption of new land use regulations for the area.~~ [Ord. 98-772B, Sec. 2. Ord. 99-818A, Sec. 3. Ord. 01-929A, Sec. 8. Ord. 02-964, Sec. 5. Ord. 05-1077C, Sec. 6. Ord. 05-1089A, Sec. 2. Ord. 07-1137A, Sec. 3. Ord. 10-1238A, Sec. 5. Ord. 11-1252A, Sec. 1. Ord. 15-1357.]

3.07.1130 Interim Protection of Areas Added to the UGB

Until land use regulations that comply with section 3.07.1120 become applicable to the area, the city or county responsible for planning the area added to the UGB ~~shall~~ may not adopt or approve:

(a) A land use regulation or zoning map amendment that allows higher residential density in the area than allowed by regulations in effect at the time of addition of the area to the UGB;

(b) A land use regulation or zoning map amendment that allows commercial or industrial uses not allowed under regulations in effect at the time of addition of the area to the UGB;

(c) A land division ~~or partition~~ that would result in creation of a lot or parcel less than 20 acres in size, except for public facilities and services as defined in section 3.07.1010 of this chapter, or for a new public school;

(d) In an area designated by the Metro Council in the ordinance adding the area to the UGB as Regionally Significant Industrial Area:

(1) A commercial use that is not accessory to industrial uses in the area; and

(2) A school, a church, a park or any other institutional or community service use intended to serve people who do not work or reside in the area. -[Ord. 98-772B, Sec. 2. Ord. 99-818A, Sec. 3. Ord. 10-1238A, Sec. 5. Ord. 11-1252A, Sec. 1.]

Title 12: ~~Protection of Residential Neighborhoods~~PROTECTION OF RESIDENTIAL NEIGHBORHOODS

3.07.1210 Purpose and Intent

Existing neighborhoods are essential to the success of the 2040 Growth Concept. The intent of ~~Title 12 of the Urban Growth Management Functional Plan~~ this title is to protect the region's residential neighborhoods. The purpose of ~~Title 12~~this title is to help implement the policy of the Regional Framework Plan to protect existing residential neighborhoods from air and water pollution, noise and crime and to provide adequate levels of public services. -[Ord. 02-969B, Sec. 3.]

3.07.1220 Residential Density

Metro ~~shall~~ may not require any city or county to authorize an increase in the residential density ~~of a single-family neighborhood~~ in an area ~~mapped solely as~~with a 2040 Growth Concept Map Design Type of Neighborhood. -[Ord. 02-969B, Sec. 3. Ord. 15-1357.]

3.07.1230 Access to Commercial Services

(a) In order to reduce air pollution and traffic congestion, and to make commercial retail services more accessible to residents of Neighborhoods, a city or county may designate in its comprehensive plan and land use ordinances or regulations one or more Neighborhood Centers within or in close proximity to Neighborhoods to serve as a convenient location of commercial services.

(b) To ensure that commercial development serves the needs of the residents of Neighborhoods but does not generate excessive traffic, noise or air pollution, a city or county that designates a Neighborhood Center ~~shall~~ must adopt limitations on the scale of commercial services in Neighborhood Centers. In a Neighborhood Center, a city or county ~~shall~~ may not approve:

(1) A commercial retail use with more than 20,000 square feet of gross leasable area in a single building; or

(2) Office commercial uses with more than 10,000 square feet of gross leasable area in a single building or on a single lot or parcel. -[Ord. 02-969B, Sec. 3. Ord. 15-1357.]

3.07.1240 Access to Parks and Schools

(a) Each city and county ~~shall~~must, within two years following adoption by the Metro Council of a process and criteria for such standards, establish a level of service standard for parks and greenspaces that calls for a park facility within a specified distance of all residences.

(b) To make parks and greenspaces more accessible to residents of Neighborhoods and all residents of the region, each city and county ~~shall~~ must provide for access to parks and greenspaces by walking, biking and transit, where transit is available or planned.

(c) To make parks and schools more accessible to neighborhood residents, to reduce traffic, and to use land more efficiently, cities, counties, park providers and school districts ~~shall~~must, where appropriate, provide for shared use of school facilities for park purposes and of park facilities for school purposes.

(d) To make public schools more accessible to neighborhood residents, cities, counties a~~-~~nd school districts ~~shall~~ must prioritize school sites that are near concentrations of population and are connected to those concentrations by safe and convenient walking, biking and, where transit is available or planned, transit facilities. -[Ord. 02-969B, Sec. 3. Ord. 15-1357.]

Title 13: ~~Nature In Neighborhoods~~NATURE IN NEIGHBORHOODS

3.07.1310 Purpose and Intent

The purpose and intent~~s~~ of this ~~program~~this title are to: (1) conserve, protect, and restore a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with upland wildlife habitat and with the surrounding urban landscape; and (2) ~~to~~ control and prevent water pollution for the protection of the public health and safety, and to maintain and improve water quality throughout the region. This program:

(a) Will achieve its purpose through conservation, protection, and appropriate restoration of riparian and upland fish and wildlife habitat through time, using a comprehensive approach that includes voluntary, incentive-based, educational, and regulatory elements;

(b) Balances and integrates goals of protecting and enhancing fish and wildlife habitat, building livable ~~Region 2040~~ communities, supporting a strong economy, controlling and preventing water pollution for the protection of the public health and safety, and complying with federal laws including the Clean Water Act and the Endangered Species Act;

(c) Includes provisions to monitor and evaluate program performance over time to determine whether the program is achieving the program's objectives and targets, to determine whether cities and counties are in substantial compliance with this title, and to provide sufficient information to determine whether to amend or adjust the program in the future; and

(d) Establishes minimum requirements and is not intended to repeal or replace existing requirements of city and county comprehensive plans and implementing ordinances and regulations to the extent those requirements already meet the minimum requirements of this title, nor is it intended to prohibit cities and counties from adopting and enforcing fish and wildlife habitat protection and restoration programs that exceed the requirements of this title. -[Ord. 05-1077C, Sec. 5.]

3.07.1320 Inventory and Habitat Conservation Areas

The purpose of this section is to describe the geographic information system (GIS) data and maps that form the basis of Metro's fish and wildlife habitat protection and restoration program. ~~This~~ These data and maps are referenced in various ways in this title, but may or may not be relevant within a city or county depending upon which implementation alternative the city or county chooses pursuant to ~~Metro Code Section~~ section 3.07.1330~~(b)~~. The maps referred to in this title are representations of data contained within Metro's GIS system, operated by the Metro Data Resource Center, and references to such maps ~~shall~~ must be interpreted as references to the maps themselves and to the underlying GIS data that the maps represent.

(a) The *Regionally Significant Fish and Wildlife Habitat Inventory Map* (hereinafter the "*Metro Habitat Inventory Map*"), attached hereto[1] adopted as Exhibit A to Metro Council Ordinance No. 05-1077C with any subsequent amendments, identifies the areas that have been determined to contain regionally significant fish and wildlife habitat. The *Metro Habitat Inventory Map* divides habitat into two general categories, riparian and upland wildlife, and further differentiates each habitat category into low, medium, and high value habitats.

(b) The *Habitat Conservation Areas Map*, attached hereto[2] adopted as Exhibit C, Attachment 1 to Metro Council Ordinance No. 05-1077C with any subsequent amendments, identifies the areas that are subject to the performance standards and best management practices described in Metro Code Ssection 3.07.1340, to the extent that a city or county chooses to comply with Metro Code Ssection 3.07.1330 by using the *Habitat Conservation Areas ~~map~~Map*, or a map that substantially complies with the *Habitat Conservation Areas ~~map~~Map*. For such cities and counties, the *Habitat Conservation Areas Map* further identifies, subject to the map verification process described in Metro Code Ssections 3.07.1330(g) and 3.07.1340(d), which areas will be subject to high, moderate, and low levels of habitat conservation based on Metro Council's consideration of the results of the economic, social, environmental, and energy (ESEE) consequences of protecting or not protecting the habitat, public input, and technical review, and the Metro Council's subsequent decision to balance conflicting uses in habitat areas.

(1) Table 3.07-13a, *Method for Identifying Habitat Conservation Areas (HCAs)*, describes how ~~(1)~~ Class I and II riparian habitat areas, and ~~(2)~~ Class A and B upland wildlife habitat areas within publicly-owned parks and open spaces, except for parks and open spaces where the acquiring agency clearly identified that it was acquiring the property to develop it for active recreational uses, located within the Metro boundary on December 28, 2005, were designated as high, moderate, and low Habitat Conservation Areas (HCAs).

(2) Table 3.07-13b, *Method for Identifying Habitat Conservation Areas (HCAs) in Future Metro UGB Expansion Areas*, describes how Class I and II riparian habitat areas and Class A and B upland wildlife areas brought within the Metro UGB after December 28, 2005, will be designated as high, moderate, and low Habitat Conservation AreasHCAs. Metro Code Ssection 3.07.1360 describes the procedures for how Table 3.07-13b and Metro Code Ssection 3.07.1340 ~~shall~~ must be applied in such areas.

(c) Exempt International Marine Terminals

(1) Marine dependent properties which would otherwise have been mapped as Habitat Conservation AreasHCAs do not appear on the *Habitat Conservation Areas Map* because the Metro Council concluded, based on its analysis of the economic, social, environmental, and energy implications of its decision, that

[1] On file in the Metro Council office and copies available from the Metro Data Resource Center.
[2] On file in the Metro Council office and copies available from the Metro Data Resource Center.

the economic importance of such properties far outweighed the environmental importance of the properties as fish and wildlife habitat. The Metro Council applied the criteria described in ~~subsection~~ paragraph (2) ~~(c)(2)~~ of this subection to conclude that the following properties should not be considered ~~Habitat Conservation Areas~~HCAs:

(A) The International Terminal property, located at 12005 N. Burgard Way, Portland, Oregon, 97203;

(B) Port of Portland Marine Terminal 4;

(C) Port of Portland Marine Terminal 5; and

(D) Port of Portland Marine Terminal 6.

(2) The Metro Council may, at its discretion, consider and adopt ordinances to exempt from the provisions of this title any additional properties along the Willamette and Columbia Rivers, or portions of such properties, where it can be demonstrated that:

(A) The property is currently developed for use as an international marine terminal capable of mooring ocean-going tankers or cargo ships; and

(B) The property is substantially without vegetative cover. -[Ord. 05-1077C, Sec. 5.]

3.07.1330 Implementation Alternatives for Cities and Counties

(a) Under Oregon law, upon acknowledgment of this program by the Oregon Land Conservation and Development Commission (LCDC), cities and counties wholly or partly within the Metro boundary ~~shall~~ must apply the requirements of this title with respect to areas identified as riparian habitat on the *Metro Habitat Inventory Map* and areas identified as upland wildlife habitat on the *Metro Habitat Inventory Map*, according to the compliance deadlines established in ~~Metro Code S~~section 3.07.810, rather than applying the requirements of ~~division 23 of chapter 660 of the~~ Oregon Administrative Rules (~~"~~OAR~~"~~) chapter 660, division 23~~, promulgated by LCDC~~, except that:

(1) A city or county shall apply the requirements of ~~division 23 of~~ OAR chapter 660, division 23 in order to adopt comprehensive plan amendments or land use regulations that: (~~i~~A) would otherwise require compliance with ~~division 23 of~~ OAR chapter 660, division 23 but for the adoption of this title (i.e., amendments or regulations adopted to protect Statewide Planning Goal 5 resources~~), ~~); and (~~ii~~B) will limit development in areas not identified as riparian habitat on the *Metro Habitat Inventory Map*, unless such provisions: (~~a~~A) are part of a program intended to comply with ~~Metro Code Section~~ section 3.07.1330(b)(3) and apply only to areas identified as upland wildlife habitat on the *Metro Habitat Inventory Map* (i.e., they do not apply to areas not identified as habitat); or (~~b~~B) apply to areas identified as Class A or B upland wildlife habitat on the *Metro Habitat Inventory Map* that are brought

within the UGB after December 28, 2005. Such a city or county shall seek acknowledgement of such provisions from LCDC or treat such provisions as post-acknowledgement plan amendments under ORS chapter 197;

(2) A city or county that, prior to December 28, 2005, adopted any comprehensive plan amendments or land use regulations that: (~~a~~A) apply to areas identified as upland wildlife habitat on the *Metro Habitat Inventory Map* but not identified as riparian habitat on the *Metro Habitat Inventory Map*~~,~~; (~~b~~B) limit development in order to protect fish or wildlife habitat~~,~~; and (~~c~~C) were adopted in compliance with ~~division 23 of~~ OAR chapter 660, division 23, ~~shall~~ may not repeal such amendments or regulations, nor ~~shall~~ may it amend such provisions in a manner that would allow any more than a de minimis increase in the amount of development that could occur in areas identified as upland wildlife habitat; and

(3) After a city or county has demonstrated that it is in substantial compliance with the requirements of this title, if the city or county wishes to adopt comprehensive plan amendments or land use regulations applicable to areas identified as riparian habitat on the *Metro Habitat Inventory Map* that have the effect of imposing greater limits on development than those imposed by provisions that are in substantial compliance with the requirements of this title, such a city or county shall comply with the provisions of ~~division 23 of~~ OAR chapter 660, division 23, and ~~shall~~ must seek acknowledgement of such provisions from LCDC or treat such provisions as post-acknowledgement plan amendments under ORS chapter 197.

(b) Each city and county in the region ~~shall~~ must either:

(1) Amend its comprehensive plan and implementing ordinances or regulations to adopt the *Title 13 Model Ordinance* adopted as Exhibit E to Metro Council Ordinance No. 05-1077C and the ~~Metro~~ *Habitat Conservation Areas Map*, and demonstrate compliance with the provisions of: (~~a~~A) ~~Metro Code Section~~ section 3.07.1340(a)(5), related to enhanced fish and wildlife protection and management of publicly-owned parks and open spaces that have been designated as natural areas and are not intended for future urban development~~,~~; and (~~b~~B) ~~Metro Code Section~~ section 3.07.1340(a)(8), related to the restoration of ~~Habitat Conservation Area~~HCAs when developed property is undergoing significant redevelopment;

(2) Demonstrate that its existing or amended comprehensive plan and existing, amended, or new implementing ordinances or regulations substantially comply with the performance standards and best management practices described in ~~Metro Code S~~section 3.07.1340, and that maps that it has adopted and uses substantially comply with the ~~Metro~~ *Habitat Conservation Areas Map*;

(3) Demonstrate that it has implemented a program based on alternative approaches that will achieve protection and enhancement of Class I and II riparian habitat areas, and of Class A and B upland wildlife habitat areas in

territory added to the ~~Metro~~ UGB after December 28, 2005, substantially comparable with the protection and restoration that would result from the application of a program that complied with ~~Metro Code Sections 3.07.1330(b)~~ paragraphs (b)(1) or ~~(b)~~(2) of this subsection. A city or county developing such a program:

(A) ~~Shall~~ Must demonstrate that its alternative program will provide a certainty of habitat protection and enhancement to achieve its intended results, such as by using proven programs and demonstrating stable and continuing funding sources sufficient to support elements of the program that require funding;

(B) May assert substantial compliance with this provision by relying on either or both the city's or county's comprehensive plan and implementing ordinances or regulations and on the use of incentive based, voluntary, education, acquisition, and restoration programs, such as:

(i) An existing tree protection ordinance or regulation;

(ii) A voluntary program for tree protection, tree replacement, and habitat restoration;

(iii) Habitat preservation incentive programs, such as programs that provide reduced development or storm water management fees and property taxes in return for taking measures to protect and restore habitat (including, for example, the Wildlife Habitat Special Tax Assessment Program, ORS 308A.400 through 308A.430, and the Riparian Habitat Tax Exemption Program, ORS 308A.350 through 308A.383);

(iv) Habitat-friendly development standards to reduce the detrimental impact of storm water run-off on riparian habitat;

(v) A local habitat acquisition program; and

(vi) Maintaining and enhancing publicly-owned habitat areas, such as by:

a) Using habitat-friendly best management practices, such as integrated pest management programs, in all regionally significant habitat areas within publicly-owned parks and open spaces;

b) Ensuring that publicly-owned parks and open spaces that have been designated as natural areas and are not intended for future urban development are managed to maintain and enhance the quality of fish and wildlife habitat that they provide; and

c) Pursuing funding to support local park, open space, and habitat acquisition and restoration, such as with local

bond measures, ~~System~~ system ~~Development~~ development ~~Charge~~ charge ~~(SDC)~~ programs, Federal Emergency Management Act (FEMA) grants, or other funding mechanisms.

(4) District Plans

(~~a~~A) Adopt one or more district plans that apply over portions of the city or county, and demonstrate that, for the remainder of its jurisdiction, the city or county has a program that complies with either ~~Metro Code Section~~paragraphs ~~3.07.1330(b)~~(b)(1) or ~~Metro Code Section 3.07.1330(b)~~(2) of this subsection. If a city or county adopts one or more district plans pursuant to this paragraph (4), it ~~shall~~ must demonstrate that, within each district plan area, the district plan complies with ~~Metro Code Section~~paragraph ~~3.07.1330(b)~~(b)(3) of this subsection. District plans ~~shall~~ must be permitted under this ~~subsection~~ paragraph (4) only for areas within a common watershed, or which are within areas in adjoining watersheds that share an interrelated economic infrastructure and development pattern. Cities and counties that choose to develop district plans are encouraged to coordinate such district plans with other entities whose activities impact the same watershed to which the district plan applies, including other cities and counties, special districts, state and federal agencies, watershed councils, and other governmental and non-governmental agencies.

(~~b~~B) The City of Portland ~~shall~~ must develop a ~~District~~ district ~~Plan~~ plan that complies with ~~Metro Code Section~~paragraph ~~3.07.1330(b)~~(b)(4)(~~a~~A) of this subsection, in cooperation with the Port of Portland, that applies to West Hayden Island; or

(5) For a city or county that is a member of the Tualatin Basin Natural Resources Coordinating Committee (~~the "~~TBNRCC~~,"~~) – which includes Washington County and the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Sherwood, Tigard, and Tualatin) – ~~,~~amend its comprehensive plan and implementing ordinances or regulations to comply with the maps and provisions of the TBNRCC Statewide Planning Goal 5 Program, ~~attached hereto[3] and~~ incorporated herein by reference, adopted by the TBNRCC on April 4, 2005 (the "Tualatin Basin Program"), subject to the intergovernmental agreement entered into between Metro and the TBNRCC. All other provisions of this ~~Metro Code S~~section ~~3.07.1330~~, as well as ~~Metro Code S~~section 3.07.1360, ~~shall~~ must still apply to each city and county that is a member of the TBNRCC. In addition, in order for a city or county that is a member of the TBNRCC to be in compliance with this ~~functional plan~~chapter, the following conditions must be satisfied:

~~[3] On file in the Metro Council office and copies available from the Metro Planning, Development and Research Department.~~

(~~a~~A) Within the compliance timeline described in ~~Paragraph~~ paragraph 6 of the Intergovernmental Agreement entered into between Metro and the TBNRCC, the TBNRCC and its members comply with the six ~~(6)~~ steps identified in section B of ~~Chapter~~ chapter 7 of the Tualatin Basin Program;

(~~b~~B) Clean Water Services approves and begins implementing its Healthy Streams Plan;

(~~c~~C) The TBNRCC members agree to renew and extend their partnership to implement the projects on the Healthy Streams Project List and target projects that protect and restore Class I and II Riparian Habitat, including habitat that extends beyond the Clean Water Services "vegetated corridors," and the TBNRCC ~~shall~~ must continue to coordinate its activities with Metro and cooperate with Metro on the development of regional public information about the Nature in Neighborhoods Initiative;

(~~d~~D) The city or county has adopted provisions to facilitate and encourage the use of habitat-friendly development practices, where technically feasible and appropriate, in all areas identified as Class I and II riparian habitat areas on the ~~Metro Regionally Significant Fish and Wildlife Habitat~~ *Metro Habitat Inventory Map*. Table 3.07-13c, *Habitat-Friendly Development Practices*, provides examples of the types of habitat-friendly development practices that ~~shall~~ must be encouraged and considered;

(~~e~~E) The city or county has adopted provisions to allow for the reduction of the density and capacity requirements of Title 1 of this chapter, *Housing Capacity*, ~~of the Urban Growth Management Functional Plan, Metro Code Sections 3.07.110 to 170,~~ consistent with ~~Metro Code Section~~ section 3.07.1330(h). Particularly, the provisions ~~shall~~ must: (~~1~~i) apply only to properties that were within the ~~Metro urban growth boundary~~UGB on January 1, 2002; (~~2~~ii) require the protection of regionally significant habitat on the property, such as via a public dedication or restrictive covenant; and (~~3~~iii) allow only for a reduction in the minimum number of units required to be built based on the amount of area protected as provided in preceding part (~~2~~ii) of this paragraph~~. In addition, cities and counties will be required to report to Metro as provided in Metro Code Section 3.07.1330(h)(3)~~;

(~~f~~F) The city or county complies with the provisions of ~~Metro Code Section~~paragraphs ~~3.07.1330(b)~~(b)(1) to (b)(3) of this subsection as those provisions apply to upland wildlife habitat in territory added to the ~~Metro urban growth boundary~~UGB after December 28, 2005. For example, ~~(1)~~ each city and county ~~shall~~ must either: (i) adopt and apply ~~Metro's~~ the *Title 13 Model Ordinance* to upland wildlife habitat in new urban areas~~,~~; (~~2~~ii) substantially comply with the requirements

of ~~Metro Code S~~section 3.07.1340 as it applies to upland wildlife habitat in new urban areas~~,~~; or (~~3~~iii) demonstrate that it has implemented an alternative program that will achieve protection and enhancement of upland wildlife habitat in new urban areas comparable with the protection and restoration that would result from one of the two previous approaches described in this sentence; and

(~~g~~G) The TBNRCC and the city or county complies with the monitoring and reporting requirements of ~~Metro Code S~~section 3.07.1360.

(c) The comprehensive plan and implementing ordinances or regulations relied upon by a city or county to comply with this title ~~shall~~ must contain clear and objective standards. A standard ~~shall be~~is considered clear and objective if it ~~meets any one of the following criteria~~is:

(1) ~~It is a~~A fixed numerical standard, such as fixed distance (e.g. "50 feet") or land area (e.g. "~~1~~ one acre");

(2) ~~It is a~~A nondiscretionary requirement, such as a requirement that grading not occur beneath the dripline of a protected tree; or

(3) ~~It is a~~A performance standard that describes the outcome to be achieved, specifies the objective criteria to be used in evaluating outcome or performance~~,~~ and provides a process for application of the performance standard, such as a conditional use or design review process.

(d) In addition to complying with subsection (c) of this section, the comprehensive plan ~~and~~ or implementing ordinances or regulations that a city or county relies upon to satisfy the requirements of this title may include an alternative, discretionary approval process that is not clear and objective, provided that ~~the comprehensive plan and implementing ordinance provisions of~~ such a discretionary approval process:

(1) ~~Specify~~ Specifies that property owners have the choice of proceeding under either the clear and objective approval process, which each city or county must have pursuant to subsection (c) of this section, or under the alternative, discretionary approval process; and

(2) Requires a level of protection for, or enhancement of, the fish and wildlife habitat that meets or exceeds the level of protection or enhancement that would be achieved by following the clear and objective standards ~~described in~~required by subsection (c) of this section.

(e) Use of Habitat-Friendly Development Practices ~~In~~ in Regionally Significant Fish ~~And~~ and Wildlife Habitat.

(1) Each city and county in the region ~~shall~~must:

(A) Identify provisions in the city's or county's comprehensive plan and implementing ordinances or regulations that prohibit or limit the use

of the habitat-friendly development practices, such as those described in Table 3.07-13c; and

(B) Adopt amendments to the city's or county's comprehensive plan and implementing ordinances or regulations to remove the barriers identified pursuant to ~~subsection (e)(1)(a)of this section~~paragraph (1)(A) of this subsection~~, and shall remove such barriers~~ so that ~~such~~ habitat-friendly development practices may be used, where practicable, in all regionally significant fish and wildlife habitat; provided, however that such practices ~~shall~~ may not be permitted if their use is prohibited by an applicable and required State or Federal permit issued to a unit of local government having jurisdiction in the area, such as a permit required under the Clean Water Act, 33 U.S.C. §§1251 et seq., or the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., and including conditions or plans required by such permit.

(2) Metro ~~shall~~ must provide technical assistance to cities and counties to comply with the provisions of this subsection (e)~~ of this section~~.

(f) Cities and counties ~~shall~~ must hold at least one public hearing prior to adopting comprehensive plan amendments, implementing ordinances or regulations~~,~~ and maps implementing this title or demonstrating that existing city or county comprehensive plans, implementing ordinances or regulations~~,~~ and maps substantially comply with this title. The proposed comprehensive plan amendments, implementing ordinances or regulations~~,~~ and maps ~~shall~~ must be available for public review at least ~~45~~ 35 days prior to the public hearing.

(g) The comprehensive plan provisions and implementing ordinances or regulations that each city or county amends, adopts, or relies on to comply with this title ~~shall~~ must provide property owners with a reasonable, timely, and equitable process to verify the specific location of habitat areas subject to the provisions of the city's or county's comprehensive plan and implementing ordinances or regulations. It is the intent of this requirement that, in the majority of cases, the process be as simple and straightforward as possible and not result in a change that would require an amendment to the city's or county's comprehensive plan. Such a process ~~shall~~must:

(1) Allow a property owner, or another person with the property owner's consent, to confirm the location of habitat on a lot or parcel at any time, whether or not the property owner has submitted a specific request for a development permit, provided, however, that a city or county may impose a fee to cover the actual staff, equipment and other administrative costs of providing such a service;

(2) As often as reasonably possible, provide a simple, default approach that allows a property owner to verify the location of habitat on a lot or parcel without having to hire an environmental consultant and without having to pay a significant processing or application fee;

(3) Allow a property owner to present detailed documentation to verify the location of habitat on a lot or parcel, such as information collected and analyzed by an environmental consultant; and

(4) Ensure that the process provides adequate opportunities for appeals and a fair and equitable dispute resolution process, consistent with state law.

(h) Reducing Regional Density and Capacity Requirements to ~~Allow~~ Facilitate Habitat Protection.

(1) Notwithstanding ~~the~~ any contrary provision~~s~~ of ~~Metro Code S~~section 3.07.120, cities and counties may approve a ~~subdivision~~ land division or development application for a property that will result in a density below the minimum density otherwise required ~~for~~ in the zoning district if:

(A) The property ~~lot or parcel~~ was within the Metro UGB on January 1, 2002;

(B) An area of the property ~~lot or parcel to be developed~~ has been identified as having regionally significant fish and wildlife habitat on the ~~Metro~~ *Metro Habitat* Inventory Map or as having a significant resource on a local Statewide Planning Goal 5 riparian, wetlands, or wildlife resource inventory map that had been acknowledged by the LCDC prior to December 28, 2005; and

(C) Such a decision will directly result in the protection of the remaining undeveloped regionally significant fish and wildlife habitat or significant resource located on the property ~~lot or parcel~~, such as ~~via~~ by way of a public dedication or a restrictive covenant.

(2) The amount of reduction in the minimum density requirement that may be approved under this subsection (h) of this section ~~shall be~~is calculated by subtracting the number of square feet of regionally significant fish and wildlife habitat or significant resource that is permanently protected under ~~subsection~~ paragraph ~~(h)~~(1)(C) of this subsection from the total number of square feet that the city or county otherwise would use to calculate the minimum density requirement for the property.

~~(3) If a city or county approves a subdivision or development application that will result in a density below the minimum density for the zoning district pursuant to subsection (h)(1) of this section, then such city or county shall:~~

~~(A) Be permitted an offset against the capacity specified for that city or county in Table 3.07-1 of the Metro Code. The amount of such offset shall be calculated by subtracting the difference between the number of dwelling units that the city or county approved to be built pursuant to subsection (h)(1) of this section and the minimum number of dwelling units that would have otherwise been required to be built on the property pursuant to the applicable minimum density requirements for~~

~~**the zoning district where the property is located; and**~~

~~**(B) Report to Metro by April 15 of every year the number of approvals made pursuant to this subsection (h) of this section, including documentation that the factors in subsection (h)(1) had been satisfied for each such approval, and the capacity offsets that the city or county shall be afforded as a result of such approvals. [Ord. 05-1077C, Sec. 5. Ord. 15-1357.]**~~

3.07.1340 Performance Standards and Best Management Practices for Habitat Conservation Areas

The following performance standards and best management practices apply to all cities and counties that choose to adopt or rely upon their comprehensive plans and implementing ordinances or regulations to comply, in whole or in part, with ~~Metro Code Section~~ section 3.07.1330(b)(2):

(a) City and county comprehensive plans and implementing ordinances or regulations ~~shall~~ must conform to the following performance standards and best management practices:

(1) ~~Habitat Conservation Area~~HCAs ~~shall~~ must be protected, maintained, enhanced, and restored as specified in this ~~Metro Code S~~section ~~3.07.1340~~, and city and county development codes shall include provisions for enforcement of these performance standards and best management practices.

(2) In addition to requirements imposed by this title, the requirements of ~~Title 3 of the Urban Growth Management Functional Plan, Metro Code S~~sections 3.07.310 to 3.07.360 ~~shall~~ continue to apply.

(3) ~~The~~ However, the performance standards and best management practices of this ~~Metro Code S~~section ~~3.07.1340 shall~~ do not apply:

(A) When the application of such standards and practices would restrict or regulate farm structures or farming practices in violation of ORS 215.253 or ORS 561.191; or

(B) In areas outside of the ~~Metro~~ UGB but within the Metro boundary at the effective date of this title:

(i) When such standards and practices violate ORS 527.722 by prohibiting, limiting, regulating, subjecting to approval, or in any other way affecting forest practices on forestlands located outside of an acknowledged urban growth boundary, except as provided in ORS 527.722(2), (3) and (4); or

(ii) Pursuant to ORS 196.107, in areas within Multnomah County and the Columbia River Gorge National Scenic Area, provided that Multnomah County has adopted and implements ordinances or regulations that are approved pursuant to

sections 7(b) and 8(h) through 8(k) of the Columbia River Gorge National Scenic Area Act, 16 U.S.C. §§ 544e(b) and 544f(h) through 544f(k).

(4) The performance standards and best management practices of this ~~Metro Code S~~section ~~3.07.1340 shall~~ also do not apply to any use of residential properties if, as of the local program effective date:

(A) Construction of the residence was completed in compliance with all applicable local and state laws and rules for occupancy as a residence or the residence had been occupied as a residence for the preceding ~~ten~~ 10 years; and

(B) Such uses would not have required the property owner to obtain a land use approval or a building, grading, or tree removal permit from their city or county.

(5) ~~Habitat Conservation Area~~HCAs within publicly-owned parks and open spaces that have been designated as natural areas and are not intended for future urban development ~~shall~~ must be protected and managed so that the quality of fish and wildlife habitat that they provide is maintained and enhanced, and that habitat-friendly best management practices, such as integrated pest management programs, are used in such areas.

(6) Invasive non-native or noxious vegetation ~~shall~~ may not be planted in any ~~Habitat Conservation Area~~HCA. The removal of invasive non-native or noxious vegetation from ~~Habitat Conservation Area~~HCAs ~~shall~~ must be allowed. The planting of native vegetation ~~shall~~ must be encouraged in ~~Habitat Conservation Area~~HCAs.

(7) Except as provided in ~~subsection~~ paragraph ~~(a)~~(8) of this subsection, routine repair, maintenance, alteration, rehabilitation, or replacement of existing structures, roadways, driveways, utilities, accessory uses, or other development within ~~Habitat Conservation Area~~HCAs may be allowed provided that:

(A) The project is consistent with all other applicable local, state, and federal laws and regulations;

(B) The project will not permanently or irreparably result in more developed area within a ~~Habitat Conservation Area~~HCA than the area of the existing development; and

(C) Native vegetation is maintained, enhanced and restored, if disturbed; other vegetation is replaced, if disturbed, with vegetation other than invasive non-native or noxious vegetation; and the planting of native vegetation and removal of invasive non-native or noxious vegetation is encouraged.

(8) Notwithstanding ~~subsection~~ paragraph ~~(a)~~(7) of this subsection, when a city or county exercises its discretion to approve zoning changes to allow a

developed property that contains an ~~Habitat Conservation Area~~HCA to ~~(1)~~ change from an industrial or heavy commercial zoning designation to a residential or mixed-use/residential designation, or ~~(2)~~to increase the type or density and intensity of development in any area, then the city or county ~~shall~~ must apply the provisions of this ~~Metro Code S~~section ~~3.07.1340~~, or provisions that will achieve substantially comparable habitat protection and restoration as do the provisions of this section. This provision will help to insure that, when developed areas are redeveloped in new ways to further local and regional urban and economic development goals, property owners should restore regionally significant fish and wildlife habitat as part of such redevelopment.

(9) Any activity within ~~Habitat Conservation Area~~HCAs that is required to implement a Federal Aviation Administration (FAA)-compliant Wildlife Hazard Management Plan (WHMP) on property owned by the Port of Portland within 10,000 feet of an Aircraft Operating Area, as defined by the FAA, ~~shall~~ may be allowed provided that mitigation for any such projects is completed in compliance with mitigation requirements adopted pursuant to ~~subsections~~ paragraphs ~~(b)~~(1), ~~(b)~~(2)(C), and ~~(b)~~(3) of this section 3.07.1340(b). In addition, habitat mitigation for any development within ~~Habitat Conservation Area~~HCAs on property owned by the Port of Portland within 10,000 feet of an Aircraft Operating Area, as defined by the FAA, ~~shall~~ may be permitted at any property located within the same 6th Field Hydrologic Unit Code subwatershed as delineated by the Unites States Department of Agriculture's Natural Resources Conservation Service (NRCS) without having to demonstrate that on-site mitigation is not practicable, feasible, or appropriate.

(10) Within ~~Habitat Conservation Area~~HCAs located in Multnomah County Drainage District No. 1, Peninsula Drainage District No. 1, Peninsula Drainage District No. 2, and the area managed by the Sandy Drainage Improvement Company, routine operations, repair, maintenance, reconfiguration, rehabilitation, or replacement of existing drainage and flood control facilities, and existing related facilities, including any structures, pump stations, water control structures, culverts, irrigation systems, roadways, utilities, accessory uses (such as off-load facilities that facilitate water-based maintenance), erosion control projects, levees, soil and bank stabilization projects, dredging and ditch clearing within the hydraulic cross-section in existing storm water conveyance drainageways, or other water quality and flood storage projects applicable to existing facilities and required to be undertaken pursuant to ORS ~~Chapters~~ chapters 547 or 554 or Titles 33 or 44 of the Code of Federal Regulations, ~~shall~~ may be allowed provided that:

(A) The project is consistent with all other applicable local, state, and federal laws and regulations;

(B) The project does not encroach closer to a surface stream or river, wetland, or other body of open water than existing operations and development;

(C) Disturbed areas are replanted with vegetation and no bare soils remain after project completion; the planting of native vegetation and removal of invasive non-native or noxious vegetation is encouraged; and invasive non-native or noxious vegetation shall not be planted; and

(D) Each district submits an annual report, to all local permitting agencies in which the district operates, describing the projects the district completed in the previous year and how those projects complied with all applicable federal and state laws and requirements.

(b) City and county comprehensive plans and implementing ordinances or regulations ~~shall~~ must contain review standards applicable to development in all ~~Habitat Conservation Area~~HCAs that include:

(1) Clear and objective development approval standards consistent with ~~Metro Code S~~section 3.07.1330(c) that protect ~~Habitat Conservation Area~~HCAs but which allow limited development within ~~High Habitat Conservation Area~~HCAs, slightly more development in Moderate ~~Habitat Conservation Area~~HCAs, and even more development in Low ~~Habitat Conservation Area~~HCAs. Such standards ~~shall~~ must allow: (~~a~~A) property owners to consider reduced building footprints and the use of minimal excavation foundation systems (e.g., pier, post or piling foundation~~),~~); and (~~b~~B) the flexible application of local code requirements that may limit a property owner's ability to avoid development in ~~Habitat Conservation Area~~HCAs, such as setback and landscaping requirements or limits on clustering and the transfer of development rights on-site. The habitat-friendly development practices described in Table 3.07-13c, which are intended to minimize the magnitude of the impact of development in ~~Habitat Conservation Area~~HCAs, ~~shall~~ must be allowed, encouraged, or required to the extent that cities and counties can develop clear and objective standards for their use, unless their use is prohibited by an applicable and required State or Federal permit issued to a unit of local government having jurisdiction in the area, such as a permit required under the Clean Water Act, 33 U.S.C. §§1251 et seq., or the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., and including conditions or plans required by such permit. The clear and objective development standards required by this paragraph also ~~shall~~ must require that all development in ~~Habitat Conservation Area~~HCAs be mitigated to restore the ecological functions that are lost or damaged as a result of the development. Standards that meet the requirements of this ~~subsection~~ paragraph and ~~Metro Code S~~section 3.07.1330(c) are provided in ~~Section~~ section (7) of the ~~Metro~~ *Title 13 Model Ordinance*[4]; and

[4] ~~On file in the Metro Council office and copies available from the Metro Planning, Development and Research~~

(2) Discretionary development approval standards consistent with ~~Metro Code S~~section 3.07.1330(d) that comply with ~~subsections~~ paragraphs ~~(b)~~(2)(A), ~~(b)~~(2)(B), and ~~(b)~~(2)(C) of this subsection (b). Standards that meet the requirements of ~~this subsection~~ paragraph (b)(2) and ~~Metro Code S~~section 3.07.1330(d) are provided in ~~Section~~ section (8) of the ~~Metro~~ *Title 13 Model Ordinance*. In the alternative to adopting the model ordinance, the local approval standards must achieve the following~~.~~:

(A) Avoid ~~Habitat Conservation Area~~HCAs, as follows:~~.~~

(i) Development may occur within an ~~Habitat Conservation Area~~HCA only if a property owner demonstrates that no practicable alternatives to the requested development exist which will not disturb the ~~Habitat Conservation Area~~HCA;

(ii) When implementing this requirement to determine whether a practicable alternative exists, cities and counties ~~shall~~ must include consideration of the type of ~~Habitat Conservation Area~~HCA that will be affected by the proposed development. For example, High ~~Habitat Conservation Area~~HCAs have been so designated because they are areas that have been identified as having lower urban development value and higher-valued habitat, while Low ~~Habitat Conservation Area~~HCAs have been so designated because they are areas that have been identified as having higher urban development value and lower-valued habitat; and

(iii) Cities and counties ~~shall~~ must allow flexibility in the application of local code requirements that may limit a property owner's ability to avoid development in ~~Habitat Conservation Area~~HCAs, such as setback and landscaping requirements or limits on clustering and the transfer of development rights on-site. Property owners ~~shall~~ must also consider reduced building footprints and use of minimal excavation foundation systems (e.g., pier, post or piling foundation). The use of the techniques described in this paragraph ~~shall~~ must be part of the alternatives analysis to determine whether any alternative to development within the ~~Habitat Conservation Area~~HCA is practicable; and

(B) Minimize Impacts on ~~Habitat Conservation Area~~HCAs and ~~Water~~ water ~~Quality~~, as follows:

(i) If there is no practicable alternative, limit the development to minimize, to the extent practicable, the detrimental impacts on ~~Habitat Conservation Area~~HCAs associated with the proposed development;

~~Department.~~

(ii) When implementing this requirement to determine whether development has been minimized to the extent practicable, cities and counties ~~shall~~ must include consideration of the type of ~~Habitat Conservation Area~~HCA that will be affected by the proposed development. For example, High ~~Habitat Conservation Area~~HCAs have been so designated because they are areas that have been identified as having lower urban development value and higher-valued habitat, while Low ~~Habitat Conservation Area~~HCAs have been so designated because they are areas that have been identified as having higher urban development value and lower-valued habitat; and

(iii) The techniques described in ~~subsection~~ paragraph ~~(b)~~(2)(A)~~(iii)~~ of this subsection (b) ~~shall~~must be used to demonstrate that development within an ~~Habitat Conservation Area~~HCA has been minimized. In addition, the magnitude of the impact of development within ~~Habitat Conservation Area~~HCAs also ~~shall~~ must be minimized, such as by use of the habitat-friendly development practices described in Table 3.07-13c, unless the use of such practices is prohibited by an applicable and required State or Federal permit issued to a unit of local government having jurisdiction in the area, such as a permit required under the Clean Water Act, 33 U.S.C. §§1251 et seq., or the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., and including conditions or plans required by such permit; and

(C) Mitigate Impacts on ~~Habitat Conservation Area~~HCAs and ~~Water~~ water ~~Quality~~quality, as follows:~~.~~

(i) When development occurs, require mitigation to restore the ecological functions that were lost or damaged as a result of the development, after taking into consideration the property owner's efforts to minimize the magnitude of the detrimental impacts through the use of the techniques described in Table 3.07-13c and through any additional or innovative techniques.

(3) When development occurs within delineated wetlands, then the mitigation required under ~~subsections~~ paragraphs ~~(b)~~(1) and ~~(b)~~(2) of this subsection (b) ~~title~~ ~~shall~~may not require any additional mitigation than the mitigation required by state and federal law for the fill or removal of such wetlands.

(c) City and county comprehensive plans and implementing ordinances or regulations ~~shall~~ must include procedures to consider claims of hardship and to grant hardship variances for any property demonstrated to be converted to an unbuildable lot or parcel by application of any provisions implemented to comply with the requirements of this title.

(d) As for administering the *Habitat Conservation Areas Map* and ~~Site~~site ~~Level~~ level ~~Verification~~ verification of ~~Habitat~~ habitat ~~Location~~location~~.~~:

(1) Each city and county ~~shall be~~is responsible for administering the *Habitat Conservation Areas Map*, or the city's or county's map that has been deemed by Metro to be in substantial compliance with the *Habitat Conservation Areas Map*, within its jurisdiction, as provided in this subsection (d) ~~of this section~~.

(2) The comprehensive plan and implementing ordinances or regulations amended, adopted or relied upon to comply with this subsection (d) ~~of this section~~ shall comply with ~~Metro Code~~ section 3.07.1330(g).

(3) ~~Verification of the Location of Habitat Conservation Areas.~~ Each city and county ~~shall~~ must establish a site-level verification process consistent with ~~subsections~~ paragraphs ~~(d)~~(4) through ~~(d)~~(6) of this subsection. The site-level verification of ~~Habitat Conservation Area~~HCAs is a three-step process. The first step is determining the boundaries of the habitat areas on the property, as provided in ~~subsection~~ paragraph ~~(d)~~(4) of this subsection. The second step is determining the urban development value of the property, as provided in ~~subsection~~ paragraph ~~(d)~~(5) of this subsection. The third step is cross-referencing the habitat classes with the urban development value of the property to determine whether the property contains High, Moderate, or Low ~~Habitat Conservation Area~~HCAs, or none at all, as provided in ~~subsection (d)~~paragraph (6) of this subsection.

(4) As for locating ~~Habitat~~ habitat ~~Boundaries~~boundaries~~.~~:

(A) Locating riparian habitat and determining its habitat class is a five-step process~~.~~, as follows:

(i) Step 1. Locate the water feature that is the basis for identifying riparian habitat:

1) Locate the top of bank of all streams, rivers, and open water within 200 feet of the property;

2) Locate all flood areas within 100 feet of the property (areas that were mapped as flood areas but were filled to a level above the base flood level prior to the local program effective date, consistent with all applicable local, state, and federal laws and regulations shall no longer be considered habitat based on their status as flood areas); and

3) Locate all wetlands within 150 feet of the property based on the ~~Local~~ local ~~Wetland~~ wetland ~~Inventory~~ inventory map (if completed) and on the *Metro 2004 Wetland Inventory Map* adopted as Exhibit C, Attachment 3 to Metro Council Ordinance No. 05-10778B ~~(available from the Metro Data Resource Center, 600 N.E. Grand Ave., Portland, OR 97232; 503-~~

~~797-1742)~~. Identified wetlands ~~shall~~ must be further delineated consistent with methods currently accepted by the Oregon Division of State Lands and the U.S. Army Corps of Engineers.

(ii) Step 2. Identify the vegetative cover status of all areas on the property that are within 200 feet of the top of bank of streams, rivers, and open water, are wetlands or are within 150 feet of wetlands, and are flood areas and within 100 feet of flood areas:

1) Vegetative cover status ~~shall~~ must be as identified on the *Metro Vegetative Cover Map*, ~~attached hereto[5] and incorporated herein by reference~~originally adopted as Exhibit C, Attachment 5 to Metro Council Ordinance No. 05-1077B. The vegetative cover type assigned to any particular area was based on two factors: the type of vegetation observed in aerial photographs; and the size of the overall contiguous area of vegetative cover to which a particular piece of vegetation belonged. As an example of how the categories were assigned, in order to qualify as "forest canopy" the forested area had to be part of a larger patch of forest of at least one acre in size; and

2) In terms of mapping the location of habitat, the only allowed corrections to the vegetative cover status of a property are those based on an area being developed prior to the local program effective date and those based on errors made at the time the vegetative cover status was determined based on analysis of the aerial photographs used to create the *Metro Vegetative Cover Map* (for the original map, the aerial photos used were Metro's summer 2002 photos) and application of the vegetative cover definitions provided in the footnotes to Table 3.07-13d, *Locating Boundaries of Class I and II Riparian Areas*.

(iii) Step 3. Determine whether the degree that the land slopes upward from all streams, rivers, and open water within 200 feet of the property is greater than or less than 25~~%~~ percent (using the methodology described in the Appendix to Exhibit A to Metro Council Ordinance No. 00-839 re-adopting Title 3 ~~of the Urban Growth Management Functional Plan~~).

(iv) Step 4. Identify the habitat class (Class I, Class II, or none) of the areas within up to 200 feet of the identified water feature, consistent with Table 3.07-13d. Note that areas that have been identified as ~~habitats~~ Habitats of ~~concern~~Concern, as depicted

~~[5] On file in the Metro Council office and copies available from the Metro Data Resource Center.~~

on the ~~Metro~~ *Habitats of Concern Map*, ~~attached hereto[6] and incorporated herein by reference~~adopted as Exhibit C, Attachment 6 to Metro Council Ordinance No. 05-1077B with any subsequent amendments, are all classified as Class I riparian habitat.

(v) Step 5. Confirm that the development and vegetative cover status of areas within up to 200 feet of the identified water feature has not been altered without the required approval of the city or county since the local program effective date and, if it has, then verify the original habitat location using the best available evidence of its location on the local program effective date.

(B) For territory brought within the Metro UGB after December 28, 2005, the location of upland wildlife habitat and its habitat class ~~shall~~ must be as identified ~~in Metro's habitat~~on the ~~inventory~~ *Metro Habitat Inventory Map* of such territory performed pursuant to ~~Metro Code S~~section 3.07.1370. The only factors that may be reviewed to verify the location of upland wildlife habitat ~~shall~~ may be:

(i) For territory that was within the Metro boundary on December 28, 2005, whether regionally significant fish and wildlife habitat was removed, consistent with all other applicable local, state, and federal laws and regulations, prior to the date that the property was brought within the ~~Metro~~ UGB and, if so, then areas where habitat was removed ~~shall~~ may not be identified as ~~Habitat Conservation Area~~HCAs;

(ii) Whether errors were made at the time the vegetative cover status was determined based on: (1) analysis of the aerial photographs used to determine the vegetative cover status~~,~~; and (2) application of the vegetative cover definitions provided in the footnotes to Table 3.07-13d; and

(iii) Whether there are discrepancies between the locations of property lot lines and the location of ~~Habitat Conservation Area~~HCAs, as shown on the *Habitat Conservation Areas Map*.

(e5) ~~Urban Development Value of the Property.~~ The urban development value of property designated as regionally significant habitat is depicted on the ~~Metro~~ *Habitat Urban Development Value Map*~~, attached hereto[7] and incorporated herein by reference~~ adopted as Exhibit C, Attachment 4 to Metro Council Ordinance No. 05-1077B with any subsequent amendments. The ~~Metro~~ *Habitat Urban Development Value Map* is based on an assessment of three variables, the land value of property, the employment value of property, and the Metro 2040 Design Type designation of property. Cities and counties

~~[6] On file in the Metro Council office and copies available from the Metro Data Resource Center.~~
~~[7] On file in the Metro Council office and copies available from the Metro Data Resource Center.~~

~~shall~~ must make an upward adjustment of a property's urban development value designation (i.e., from low to medium or high, or from medium to high) if:

(A) The Metro 2040 Design Type designation has changed from a category designated as a lower urban development value category to one designated as a higher urban development value category. Properties in areas designated as the Central City, Regional Centers, Town Centers, and Regionally Significant Industrial Areas are considered to be of high urban development value; properties in areas designated as Main Streets, Station Communities, ~~Other~~ Industrial Areas, and Employment ~~Centers~~ Areas are of medium urban development value; and properties in areas designated as Neighborhoods and Corridors are of low urban development value; or

(B) The property, or adjacent lots or parcels, is owned by a ~~regionally~~ Regionally ~~significant~~ Significant ~~educational~~ Educational or ~~medical~~ Medical ~~facility~~ Facility and, for that reason, should be designated as of high urban development value because of the economic contributions the facility provides to the ~~citizens~~ people of the region.

(i) The following facilities are ~~regionally~~ Regionally ~~significant~~ Significant ~~educational~~ Educational or ~~medical~~ Medical ~~facilities~~Facilities, as further identified on the *Regionally Significant Educational or Medical Facilities Map*~~, attached hereto~~[8] adopted as Exhibit C, Attachment 6 to Metro Council Ordinance No. 05-1077B:

1) Clackamas Community College, 19600 S. Molalla Ave., Oregon City;

2) Lewis &Clark College, 0615 SW Palatine Hill Rd., Portland;

3) Marylhurst University, 17600 Hwy 43, in Lake Oswego;

4) Mt. Hood Community College, 26000 SE Stark St., Gresham;

5) Oregon Health Sciences University, 3181 SW Sam Jackson Park Rd., Portland;

6) Oregon Health Sciences University, Portland South Waterfront, Portland;

7) Oregon Health Sciences University /Oregon Graduate Institute, 20000 NW Walker, Hillsboro;

8) Pacific University, 2043 College Way, Forest Grove;

~~[8] On file in the Metro Council office.~~

9) Portland Community College, Rock Creek Campus, 17865 NW Springdale Rd., Portland;

10) Portland Community College, Sylvania Campus, 12000 SW 49th Ave., Portland;

11) Providence St. Vincent Medical Center, 9115 SW Barnes Rd., Portland;

12) Reed College, 3203 SE Woodstock Blvd., Portland;

13) University of Portland, 5000 N. Willamette Blvd., Portland; and

14) Veterans Hospital, 3710 SW U.S. Veterans Hospital Rd., Portland.

(ii) The Metro Council may add a property to the list of facilities identified in ~~subsection~~ paragraph ~~(d)~~(5)(B)(i) of this subsection in the future by adopting an ordinance amending that section if the Metro Council finds that the use of the property:

1) Supports the 2040 Growth Concept by providing a mixed-use environment that may include employment, housing, retail, cultural and recreational activities, and a mix of transportation options such as bus, bicycling, walking, and auto;

2) Provides, as a primary objective, a service that satisfies a public need rather than just the consumer economy (i.e., producing, distributing, selling or servicing goods);

3) Draws service recipients (e.g., students, patients) from all reaches of the region and beyond;

4) Relies on capital infrastructure that is so large or specialized as to render its relocation infeasible; and

5) Has a long-term campus master plan that has been approved by the city or county in which it is located.

(~~f~~6) ~~Cross-Referencing Habitat Class With Urban Development Value.~~ City and county verification of the locations of High, Moderate, and Low ~~Habitat Conservation Area~~HCAs ~~shall~~ must be consistent with Tables 3.07-13a and 3.07-13b. -[Ord. 05-1077C, Section 5.]

3.07.1350 Claims Pursuant to ORS 195.305 (Ballot Measure 49)

(a) The purpose of this section is to provide for Metro to accept potential liability for claims filed against cities and counties pursuant to ORS 195.305 (Ballot Measure 49) as a result of the cities' and counties' good faith implementation of ~~Metro Code S~~sections 3.07.1310 through 3.07.1370. As a corollary of accepting financial and

administrative responsibility for these claims, Metro seeks the authority and cooperation of cities and counties in the evaluation and settlement of claims.

(b) Provided that cities and counties meet the requirements set out below, Metro ~~shall~~ will indemnify a city or county for any claim made against a city or county based on its implementation of the requirements of ~~Metro Code S~~sections 3.07.1310 through 3.07.1370. In order to receive the benefits of this provision, a city or county must:

(1) Upon receipt of a written demand for compensation pursuant to ORS 195.305, from an owner of private real property located within its jurisdiction alleging that a comprehensive plan amendment or land use regulation adopted or relied upon to comply with the requirements of this title reduces the fair market value of the property, a city or county ~~shall~~ must forward a copy of the demand to Metro no later than seven ~~(7)~~ days following receipt of the demand; and

(2) Reasonably cooperate with Metro throughout Metro's consideration and disposition of the claim, including promptly providing Metro with any information related to the property in question, to an assessment of its fair market value, or to the city's or county's adoption of the comprehensive plan amendment or land use regulation that is the basis of the demand made pursuant to ORS 195.305; and

(3) Substantially concur with Metro's recommendation regarding disposition of the claim, which disposition may include, but not be limited to, a cash payment or other compensation, a decision to modify, remove, or not apply the regulation, dismissal of the claim, and the imposition of appropriate conditions. Metro ~~shall~~ must forward to the city or county Metro's recommended disposition of the claim within 120 days of Metro's receipt of notice of the claim from the city or county; provided, however, that if Metro does not provide such recommendation within the 120 day deadline then the city or county may dispose of the claim as it determines appropriate and Metro will neither indemnify the city or county for the claim nor use the city's or county's decision on the claim as a basis for finding that the city or county is not in compliance with this title. A city or county may also satisfy this requirement by entering into an intergovernmental agreement with Metro in order to grant Metro sufficient authority to implement, on the city or county's behalf, Metro's recommendation regarding the disposition of the claim. -[Ord. 05-1077C, Section 5. Ord. 15-1357~~)~~.]

3.07.1360 Program Objectives, Monitoring and Reporting

This section describes the program performance objectives, the roles and responsibilities of Metro, cities, counties, and special districts in regional data coordination and inventory maintenance, monitoring and reporting~~,~~ and program evaluation.

(a) The following program objectives are established:

(1) Performance objectives:

(A) Preserve and improve streamside, wetland, and floodplain habitat and connectivity;

(B) Preserve large areas of contiguous habitat and avoid habitat fragmentation;

(C) Preserve and improve connectivity for wildlife between riparian corridors and upland wildlife habitat; and

(D) Preserve and improve special habitats of concern, such as native oak habitats, native grasslands, wetlands, bottomland hardwood forests, and riverine islands.

(2) Implementation objectives:

(A) Increase the use of habitat-friendly development throughout the region; and

(B) Increase restoration and mitigation actions to compensate for adverse effects of new and existing development on ecological function.

(b) Program Monitoring and Evaluation.

(1) Metro will monitor the region's progress toward meeting the vision of conserving, protecting, and restoring the region's fish and wildlife habitat and the intent of this title by:

(A) Developing and monitoring regional indicators and targets ~~as set forth in Table 3.07-13e~~ to evaluate progress in achieving the four performance objectives described in subsection (a)(1) of this section;

(B) Developing and monitoring regional indicators ~~as set forth in Table 3.07-13e~~ to evaluate progress in achieving the two implementation objectives described in subsection (a)(2) of this section; and

(C) Collaborating with local, state, and federal agencies and non-governmental organizations in carrying out field studies and data sharing to increase understanding of the health of the region's watersheds and to identify restoration opportunities and priorities~~; and~~.

(D) Preparing and presenting monitoring and program evaluation reports ~~to Metro Council no later than December 31, 2006, and by December 31 of each even-numbered year thereafter~~when directed by the Metro Council.

(2) Metro will practice adaptive management by using the results of monitoring studies and the availability of new information to assess whether the goals, objectives, and targets of this title are being achieved.

(c) Reporting Requirements for Cities and Counties.

~~(1) Cities and counties shall report to Metro no later than December 31, 2007, and by December 31 of each odd-numbered year thereafter on their progress in using voluntary and incentive-based education, acquisition, and restoration habitat protection efforts; and~~

(~~2~~1) At least ~~45~~ 35 days prior to a city's or county's ~~final~~ first public hearing on a proposed new or amended ordinance or regulation relating to protection of, or mitigation of damage to, habitat, trees or other vegetation, cities and counties ~~shall~~ must mail written notice of the proposed ordinance or regulation to Metro. Cities and counties that require applications for land use approvals or building, grading, or tree removal permits to include documentation that the development meets habitat, tree, or vegetation protection and mitigation requirements adopted by a special district, including any county service district established pursuant to ORS chapter 451, ~~shall~~ must mail written notice to Metro of any proposed new or amended ordinance or regulation relating to protection of, or mitigation of damage to, trees or other vegetation that is proposed by such a special district at least ~~45~~ 35 days prior to the special district's ~~final~~ first public hearing on the proposed new or amended ordinance or regulation.

(d) Regional Data Coordination and Maintenance.

(1) Metro will act as the regional coordinator for Geographic Information System (GIS) data used to create and maintain the ~~Regionally Significant Fish and Wildlife Habitat~~ *Metro Habitat Inventory Map* and other data relevant to program implementation, monitoring, and evaluation. To carry out this role cities and counties shall provide Metro with local data in a timely fashion and in a form compatible with Metro's GIS program. To the extent that such data is collected by county service districts established pursuant to ORS chapter 451, then the county in which the county service district operates ~~shall~~ must comply with this section. Such data ~~shall~~ must include:

(A) Adopted and revised ~~L~~local ~~W~~wetland ~~I~~inventories approved by the Division of State Lands and those determined to be locally significant under ORS 197.279(3)(b);

(B) Wetland mitigation sites approved by the Division of State Lands or U.S. Army Corps of Engineers;

(C) For cities and counties that have not carried out ~~L~~local ~~W~~wetland ~~I~~inventories, wetland boundaries delineated using accepted protocols by Division of State Lands or U.S. Army Corps of Engineers;

(D) Revised or updated local surface stream inventories;

(E) Revised or updated 100-year Federal Emergency Management Act (FEMA) flood area maps or revisions to the 1996 area of inundation maps to incorporate FEMA-approved floodplain map revisions or floodplain fills approved by the U.S. Army Corps of Engineers;

(F) Completed restoration and enhancement projects; and

(G) Revised or updated ~~Metro~~ Habitats of Concern data layer.

(2) Metro will periodically update its ~~Regionally Significant Fish and Wildlife Habitat~~ *Metro Habitat Inventory Map* for use in program monitoring and evaluation. Metro will maintain a study area boundary one mile beyond the perimeter of the Metro boundary and ~~Metro Urban Growth Boundary~~UGB. [Ord. 05-1077C, Sec. 5. Ord. 15-1357.)

3.07.1370 Future Metro Urban Growth Boundary Expansion Areas

The *Metro Habitat Inventory Map* identifies regionally significant fish and wildlife habitat within the entire Metro boundary, including areas outside of the ~~Metro~~ UGB at the time this title was adopted. As described in ~~Metro Code S~~section 3.07.1320, the Metro Council has designated as ~~Habitat Conservation Area~~HCAs the regionally significant fish and wildlife habitat that has been identified as riparian Class I and II habitat within the Metro boundary. In addition, the Metro Council has also determined that the regionally significant fish and wildlife habitat identified as upland wildlife Class A and B habitat that is currently outside of the ~~Metro~~ UGB ~~shall~~ must be designated as ~~Habitat Conservation Area~~HCAs at such time that those areas are brought within the ~~Metro~~ UGB. Territory where the ~~Metro~~ UGB may expand includes both areas within the current Metro boundary and areas outside of the current Metro boundary.

(a) New Urban Territory that was Previously Within the Metro Boundary.

The *Metro Habitat Inventory Map* already identifies the regionally significant upland wildlife Class A and B habitat in territory within the current Metro boundary but outside the current ~~Metro~~ UGB. ~~At the time such~~After the territory is brought within the ~~Metro~~ UGB, ~~consistent with Title 11 of this functional plan, Metro Code Sections 3.07.1110 et seq.,~~ and before the area is planned pursuant to section 3.07.1120, Metro, by order of the COO, ~~shall~~ must update its inventory of regionally significant fish and wildlife habitat and *Metro Habitat Inventory Map* for such territory using the same methodology used by Metro to establish the *Metro Habitat Inventory Map*. Based on the updated *Metro Habitat Inventory Map*, Metro, by order of the COO, ~~shall~~ must ~~prepare a~~update the *Habitat Conservation Areas Map* for such new territory, as described in ~~Metro Code S~~section 3.07.1320(b)~~(c)~~, using the 2040 Design Types that are assigned to such territory to determine the area's urban development value.

(b) New Urban Territory that was Previously Outside ~~of~~ the Metro Boundary.

~~At the time~~After such territory is brought within the ~~Metro~~ UGB, ~~consistent with Title 11 of this functional plan, Metro Code Sections 3.07.1110 et seq.,~~ and before the area is planned pursuant to section 3.07.1120, Metro, by order of the COO, ~~shall~~ must ~~prepare an~~update its inventory of regionally significant fish and wildlife habitat and *Metro Habitat Inventory Map* for such territory using the same methodology used by Metro to establish the *Metro Habitat Inventory Map*. ~~Upon adoption of such inventory, Metro shall update its Metro Inventory Map to include such information.~~ Based on the updated *Metro Habitat Inventory Map*, Metro, by order of the COO, ~~shall~~ must ~~prepare a~~update the *Habitat Conservation Areas Map* for such new territory, as described in ~~Metro Code S~~section 3.07.1320(b), using the

2040 Design Types that are assigned to such territory to determine the area's urban development value.

(c) Metro recognizes that the assigned 2040 Design Types may change as planning for territory added to the Metro UGB progresses, and that the relevant ~~Habitat Conservation Area~~HCA designations will also change as a result of the 2040 Design Type changes during such planning. Updates to the *Metro Habitat Inventory Map* or to the *Habitat Conservation Areas Map* may be made by order of the COO in order to reflect changes in 2040 Design Type designations. -[Ord. 05-1077C, Sec. 5.]

Table 3.07-13a: Method for Identifying Habitat Conservation Areas ("HCA~~s~~")

Fish & wildlife habitat classification	**High ~~U~~urban development value[1]**	**Medium ~~U~~urban development value[2]**	**Low ~~U~~urban development value[3]**	**Other areas: Parks and ~~O~~open ~~S~~spaces, no design types outside UGB**
Class I Riparian	Moderate HCA	High HCA	High HCA	High HCA / High HCA+[4]
Class II Riparian	Low HCA	Low HCA	Moderate HCA	Moderate HCA / High HCA+[4]
Class A Upland Wildlife	No HCA	No HCA	No HCA	No HCA / High HCA[5] / High HCA+[4]
Class A Upland Wildlife	No HCA	No HCA	No HCA	No HCA / High HCA[5] / High HCA+[4]

NOTE: The default urban development value of property is as depicted on the ~~Metro~~ *Habitat Urban Development Value Map*. The Metro 2040 Design Type designations provided in the following footnotes are only for use when a city or county is determining whether to make an adjustment pursuant to ~~Metro Code S~~section 3.07.1340(e)(5).

[1] Primary 2040 ~~design~~ Design ~~types~~Types: Regional Centers, Central City, Town Centers, and Regionally Significant Industrial Areas

[2] Secondary 2040 ~~design~~ Design ~~types~~Types: Main Streets, Station Communities, ~~Other~~ Industrial Areas, and Employment ~~Centers~~ Areas

[3] Tertiary 2040 ~~design~~ Design ~~types~~Types: Neighborhoods, Corridors

[4] Cities and counties ~~shall~~ must give Class I and II riparian habitat and Class A and B upland wildlife habitat in parks designated as natural areas even greater protection than that afforded to High Habitat Conservation Areas (HCAs), as provided in ~~Metro Code S~~section 3.07.1340(a)(5).

[5] All Class A and B upland wildlife habitat in publicly-owned parks and open spaces, except for parks and open spaces where the acquiring agency clearly identified that it was acquiring the property to develop it for active recreational uses, ~~shall be considered~~are High HCAs.

Table 3.07-13b: Method for Identifying Habitat Conservation Areas ("HCAs") in Future Metro ~~Urban Growth Boundary~~UGB Expansion Areas

Fish & wildlife habitat classifi-cation	**High ~~U~~urban development value[1]**	**Medium ~~U~~urban development value[2]**	**Low ~~U~~urban development value[3]**	**Other areas: Parks and ~~O~~open Spaces, no design types outside UGB**
Class I Riparian	Moderate HCA	High HCA	High HCA	High HCA / High HCA+[4]
Class II Riparian	Low HCA	Low HCA	Moderate HCA	Moderate HCA / High HCA+[4]
Class A Upland Wildlife	Low HCA	Moderate HCA	Moderate HCA	High HCA / High HCA[5] / High HCA+[4]
Class B Upland Wildlife	Low HCA	Low HCA	Moderate HCA	Moderate HCA / High HCA[5] / High HCA+[4]

NOTE: The default urban development value of property is as depicted on the ~~Metro~~ *Habitat Urban Development Value Map*. The Metro 2040 Design Type designations provided in the following footnotes are only for use when a city or county is determining whether to make an adjustment pursuant to ~~Metro Code Section~~paragraph ~~3.07.1340(e)~~(5) of subsection 3.07.1340(e).

[1] Primary 2040 ~~design~~ Design ~~types~~Types: Regional Centers, Central City, Town Centers, and Regionally Significant Industrial Areas.

[2] Secondary 2040 ~~design~~ Design ~~types~~Types: Main Streets, Station Communities, ~~Other~~ Industrial Areas, and Employment ~~Centers~~Areas.

[3] Tertiary 2040 ~~design~~ Design ~~types~~Types: Neighborhoods, Corridors

[4] Cities and counties ~~shall~~ must give Class I and II riparian habitat and Class A and B upland wildlife habitat in parks designated as natural areas even greater protection than that afforded to High Habitat Conservation Areas (HCAs), as provided in ~~Metro Code S~~section 3.07.1340(a)(5).

[5] All Class A and B upland wildlife habitat in publicly-owned parks and open spaces, except for parks and open spaces where the acquiring agency clearly identified that it was acquiring the property to develop it for active recreational uses, ~~shall be considered~~are High HCAs.

Table 3.07-13c~~.~~ : Habitat-~~friendly~~ Friendly Development Practices

Part (a):Design and Construction Practices to Minimize Hydrologic Impacts	
1.	Amend disturbed soils to original or higher level of porosity to regain infiltration and stormwater storage capacity.
2.	Use pervious paving materials for residential driveways, parking lots, walkways, and within centers of cul-de-sacs.
3.	Incorporate stormwater management in road rights-of-way~~s~~.
4.	Landscape with rain gardens to provide on-lot detention, filtering of rainwater, and groundwater recharge.
5.	Use green roofs for runoff reduction, energy savings, improved air quality, and enhanced aesthetics.
6.	Disconnect downspouts from roofs and direct the flow to vegetated infiltration/filtration areas such as rain gardens.
7.	Retain rooftop runoff in a rain barrel for later on-lot use in lawn and garden watering.
8.	Use multi-functional open drainage systems in lieu of more conventional curb-and-gutter systems.
9.	Use bioretention cells as rain gardens in landscaped parking lot islands to reduce runoff volume and filter pollutants.
10.	Apply a treatment train approach to provide multiple opportunities for storm water treatment and reduce the possibility of system failure.
11.	Reduce sidewalk width and grade them such that they drain to the front yard of a residential lot or retention area.
12.	Reduce impervious impacts of residential driveways by narrowing widths and moving access to the rear of the site.
13.	Use shared driveways.
14.	Reduce width of residential streets, depending on traffic and parking needs.
15.	Reduce street length, primarily in residential areas, by encouraging clustering and using curvilinear designs.
16.	Reduce cul-de-sac radii and use pervious vegetated islands in center to minimize impervious effects, and allow them to be utilized for truck maneuvering/loading to reduce need for wide loading areas on site.
17.	Eliminate redundant non-ADA sidewalks within a site (i.e., sidewalk to all entryways and/or to truck loading areas may be unnecessary for industrial developments).
18.	Minimize car spaces and stall dimensions, reduce parking ratios, and use shared parking facilities and structured parking.
19.	Minimize the number of stream crossings and place crossing perpendicular to stream channel if possible.
20.	Allow narrow street rights-of-way~~s~~ through stream corridors whenever possible to reduce adverse impacts of transportation corridors.

Part (b):	*Design and Construction Practices to Minimize Impacts on Wildlife Corridors and Fish Passage*
1.	Carefully integrate fencing into the landscape to guide animals toward animal crossings under, over, or around transportation corridors.
2.	Use bridge crossings rather than culverts wherever possible.
3.	If culverts are utilized, install slab, arch or box type culverts, preferably using bottomless designs that more closely mimic stream bottom habitat.
4.	Design stream crossings for fish passage with shelves and other design features to facilitate terrestrial wildlife passage.
5.	Extend vegetative cover through the wildlife crossing in the migratory route, along with sheltering areas.
Part (c):	*Miscellaneous Other Habitat-Friendly Design and Construction Practices*
1.	Use native plants throughout the development (not just in HCA).
2.	Locate landscaping (required by other sections of the code) adjacent to HCA.
3.	Reduce light-spill off into HCAs from development.
4.	Preserve and maintain existing trees and tree canopy coverage, and plant trees, where appropriate, to maximize future tree canopy coverage.

Table 3.07-13d: Locating Boundaries of Class I and II Riparian Areas

Distance from Water Feature	Development/Vegetation Status[1]			
	Developed areas not providing vegetative cover[2]	**Low structure vegetation or open soils[3]**	**Woody vegetation (shrub and scattered forest canopy)[4]**	**Forest Canopy (closed to open forest canopy)[5]**
Surface Streams				
0-50’	Class II [6]	Class I [7]	Class I	Class I
50’-100’		Class II [6]	Class I	Class I
100’-150’		Class II if slope > 25% ~~percent~~ [6]	Class II if slope > 25% ~~percent~~ [6]	Class II [6]
150’-200’		Class II if slope > 25% ~~percent~~ [6]	Class II if slope > 25% ~~percent~~ [6]	Class II if slope > 25% ~~percent~~ [6]
Wetlands (Wetland feature itself is a Class I Riparian Area)				
0-100’		Class II [6]	Class I	Class I
100’-150’				Class II [6]
Flood Areas				
Within 300’ of river or surface stream		Class I	Class I	Class I
More than 300’ from river or surface stream	[8]	Class II [6]	Class II [6]	Class I
0-100’ from edge of flood area			Class II [6, 9]	Class II [6]

[1] Development/vegetative cover status is identified on the *Metro Vegetative Cover Map* ~~(on file in the Metro Council office)~~. The vegetative cover type assigned to any particular area was based on two factors: the type of vegetation observed in aerial photographs; and the size of the overall contiguous area of vegetative cover to which a particular piece of vegetation belonged.

[2] "Developed areas not providing vegetative cover" are areas that lack sufficient vegetative cover to meet the one-acre minimum mapping unit for any type of vegetative cover.

[3] "Low structure vegetation or open soils" means areas that are part of a contiguous area one acre or larger of grass, meadow, crop-lands, or areas of open soils located within 300 feet of a surface stream (low structure vegetation areas may include areas of shrub vegetation less than one acre in size if they are contiguous with areas of grass, meadow, crop-lands, orchards, Christmas tree farms, holly farms, or areas of

open soils located within 300 feet of a surface stream and together form an area of one acre in size or larger).

[4] "Woody vegetation" means areas that are part of a contiguous area one acre or larger of shrub or open or scattered forest canopy (less than 60~~%~~ percent crown closure) located within 300 feet of a surface stream.

[5] "Forest canopy" means areas that are part of a contiguous grove of trees of one acre or larger in area with approximately 60~~%~~ percent or greater crown closure, irrespective of whether the entire grove is within 200 feet of the relevant water feature.

[6] Areas that have been identified as ~~habitats~~ Habitats of ~~concern~~Concern, as designated on the ~~Metro~~ *Habitats of Concern Map* ~~(on file in the Metro Council office and copies available from the Metro Data Resource Center),~~ ~~shall~~ must be treated as Class I riparian habitat areas in all cases, subject to the provision of additional information that establishes that they do not meet the criteria used to identify ~~habitats~~ Habitats of ~~concern~~ Concern as described in Metro's Technical Report for Fish and Wildlife. Examples of ~~habitats~~ Habitats of ~~concern~~ Concern include: Oregon white oak woodlands, bottomland hardwood forests, wetlands, native grasslands, riverine islands or deltas, and important wildlife migration corridors.

[7] Except that areas within 50 feet of surface streams ~~shall~~ must be treated as Class II riparian areas if their vegetation status is "Low structure vegetation or open soils," and if they are high gradient streams. High gradient streams are identified on the *Metro Vegetative Cover Map*. If a property owner believes the gradient of a stream was incorrectly identified, then the property owner may demonstrate the correct classification by identifying the channel type using the methodology described in the Oregon Watershed Assessment Manual, published by the Oregon Watershed Enhancement Board, and appended to the Metro's Riparian Corridor and Wildlife Habitat Inventories Report, Attachment 1 to Exhibit F to ~~this ordinance~~Metro Council Ordinance No. 05-1077C.

[8] If development prior to the effective date of ~~this title~~Metro Council Ordinance No. 05-1077C within a contiguous, undeveloped flood area (to include contiguous flood areas on adjacent properties) that was not mapped as having any vegetative cover has reduced the size of that contiguous flood area to less than one half of an acre in size, then the remaining flood area ~~shall~~ must also be considered a developed flood area and ~~shall~~ may not be identified as habitat.

[9] Only if within 300 feet of a river or surface stream**.**

Table 3.07-13e: Performance and Implementation Objectives and Indicators

Performance Objectives	**Targets**	**Targeted Condition Based on 2004 Metro Inventory**	**Example Indicators**
Performance Objective 1: Preserve and improve streamside, wetland, and flood area habitat and connectivity.	1a. *10% increase in forest and other vegetated acres within 50 feet* of streams (on each side) and wetlands in each sub-watershed over the next 10 years (2015).	1a. 2004 Baseline Condition (regional data): 64% vegetated 14,000 vegetated acres	Percentage of acres within 50 feet of streams (on each side) and wetlands with any vegetation
		10% increase: 70% vegetated 1,400 acre increase in vegetation over 10 years	Percentage of acres within 50 feet of streams (on each side) and wetlands with forest canopy
	1b. 5*% increase in forest and other vegetated acres within 50 to 150 feet of streams* (on each side) and wetlands in each subwatershed over the next 10 years (2015).	1b. 2004 Baseline Condition (regional data): 59% vegetated 15,250 vegetated acres	Percentage of acres between 50 and 150 feet of streams (on each side) and wetlands with any vegetation
		5% increase: 62% vegetated 760 acre increase in vegetation over 10 years	
	1c. No more than *10% increase in developed flood area acreage* in each subwatershed over the next 10 years (2015).	1c. 2004 Baseline Condition (regional data): 10% of all flood area acres are developed 3,450 total acres of developed flood areas	Percentage of acres between 50 and 150 feet of streams (on each side) and wetlands with forest canopy

Performance Objectives	**Targets**	**Targeted Condition Based on 2004 Metro Inventory**	**Example Indicators**
		10% increase: 3,800 total acres of developed flood areas	Number of acres of Class I and II Riparian Habitat Percentage of flood area acres that are developed* * "Developed" for purposes of this indicator means the methodology used in Metro's Fish and Wildlife Inventory to identify developed flood areas.
Performance Objective 2: Preserve large areas of contiguous habitat and avoid fragmentation.	2a. *Preserve 75% of vacant Class A and B* upland wildlife habitat in each subwatershed over the next 10 years (2015).	2a. 2004 Baseline Condition: 15,500 acres of vacant Class A and B upland wildlife habitat	Number of acres of Class A habitat Number of acres of Class B habitat Number of wildlife habitat patches that contain 30 acres or more of upland wildlife habitat
		5% retention: 11,600 acres of vacant Class A and B upland wildlife habitat remaining	
	2b. Of the upland habitat reserved, retain 80% of the number of patches 30 acres or larger in each subwatershed over the next 10 years (2015).	2b. 2004 Baseline Condition: 23,400 acres of upland habitat in 133 patches that contain 30 acres or more of upland wildlife habitat	

Performance Objectives	**Targets**	**Targeted Condition Based on 2004 Metro Inventory**	**Example Indicators**
		80% retention: 106 upland habitat patches that contain 30 acres or more of upland habitat	
Performance Objective 3: Preserve and improve connectivity for wildlife between riparian corridors and upland wildlife habitat.	3a. *Preserve 90% of forested wildlife habitat acres located within 300 feet of surface streams* in each subwatershed over the next 10 years (2015).	3a. 2004 Baseline Condition: 28,300 acres within 1,453 patches of forested wildlife habitat located within 300 feet of surface streams	Number and miles of all wildlife corridors Corridor quality: % of habitat acres within corridors with a vegetative width of 200 ft Acres of wildlife patches with a connectivity score of 3 or greater Acres and number of forested wildlife habitat patches (forest canopy or wetland with a total combined size greater than 2 acres) within 300 feet of surface streams compared to acres of the patches located outside of 300 feet of surface streams.
		90% retention: 25,500 acres of forested wildlife habitat located within 300 feet of surface streams	

Performance Objectives	**Targets**	**Targeted Condition Based on 2004 Metro Inventory**	**Example Indicators**
Performance Objective 3 (continued):	3b. *Preserve 80% of non-forested wildlife habitat acres located within 300 feet of surface streams* in each subwatershed over the next 10 years (2015).	3b. 2004 Baseline Condition: 14,400 acres within 1,633 patches of non-forested wildlife habitat located within 300 feet of surface streams 80% retention: 11,500 acres of non-forested wildlife habitat located within 300 feet of surface streams	Acres and number of non-forested wildlife patches (shrub or low structure/open soils with a total combined size greater than 2 acres) located within 300 feet of a surface streams.
Performance Objective 4: Preserve and improve special habitats of concern.	4a. *Preserve 95% of habitats of concern acres* in each subwatershed over the next 10 years (2015).	4a. 2004 Baseline Condition: 33% of all habitat designated as HOCs 26,700 total acres of HOCs 95% retention: 25,400 total acres of HOCs	Number of acres of wetland Number of acres of white oak woodland Number of acres of bottomland hardwood forest Number of acres of vegetated riverine islands Number of acres of key connector habitat (list out HOC connectors)
Implementation Objectives	Example Indicators		

~~**Performance Objectives**~~	~~**Targets**~~	~~**Targeted Condition Based on 2004 Metro Inventory**~~	~~**Example Indicators**~~
~~Implementation Objective A:~~ ~~Increase the use of habitat-friendly development throughout the region~~	~~Number of jurisdictions that allow or require LID~~ ~~Number of jurisdictions providing LID incentives~~ ~~Percentage of region in forest canopy~~ ~~Percentage of impervious area~~ ~~B-IBI (benthic index of biological integrity) scores~~		
~~Implementation Objective B:~~ ~~Increase restoration and mitigation actions to compensate of adverse effects of new and existing development on ecological function~~	~~Number of restoration projects in one year~~ ~~Number of mitigation projects in one year~~ ~~Acres and distribution by resource class of habitat inventory~~ ~~Number of culverts that need improvement~~ ~~Number of watersheds in region with adopted action plans~~		

[Ord. 05-1077C, Sec. 5.]

TITLE 14: ——URBAN GROWTH BOUNDARY

3.07.1405 Purpose and Intent

The Regional Framework Plan (RFP) calls for a clear transition from rural to urban development, an adequate supply of urban land to accommodate long-term population and employment, and a compact urban form. ~~Title 14~~This title prescribes criteria and procedures for amendments to the urban growth boundary (UGB) to achieve these objectives. [Ord. 10-1244B, Sec. 12.]

3.07.1410 Metro Urban Growth Boundary

(a) The Metro UGB ~~for the metropolitan area~~ is incorporated into this title and is depicted on the *Title 14 Urban Growth Boundary and ~~Urban and Rural~~ Reserves Map*. Cities and counties within the Metro boundary ~~shall~~ must depict the portion of the UGB, if any, that lies within their boundaries on their comprehensive plan maps. Within 21 days after acknowledgment of an amendment to the UGB under this title, the COO ~~shall~~ must submit the amended UGB to the city and county in which the amended UGB lies. The city and county ~~shall~~ must amend their comprehensive plan maps to depict the amended UGB within one year following receipt of the amendment from the COO.

(b) Urban and ~~Rural~~ rural ~~Reserves~~ reserves are depicted on the *Title 14 Urban Growth Boundary and ~~Urban and Rural~~ Reserves Map*. Amendments to the UGB made pursuant to this title ~~shall~~ must be based upon this map. [Ord. 10-1244B, Sec. 12. Ord. 11-1264B, Sec. 3. Ord. 15-1357.]

Title 14 Urban Growth Boundary and Reserves Map as of March 5, 2025. [Ord. 79-77. Ord. 02-969B. Ord. 04-1040B. Ord. 10-1244B. Ord. 11-1255. Ord. 11-1264B. Ord. 14-1336. Ord. 17-1407. Ord. 18-1427. Ord. 23-1488. Ord. 24-1520.]

HELD FOR TITLE 14 MAP

3.07.1420 Legislative Amendment to UGB – ~~–~~ Procedures

(a) Legislative amendments follow periodic analysis of the capacity of the UGB and the need to amend it to accommodate long-range growth in population and employment. The Metro Council shall initiate a legislative amendment to the UGB when required by state law and may initiate a legislative amendment when it determines there is a need to add land to the UGB.

(b) Except as otherwise provided in this title, the Metro Council ~~shall~~ must make legislative amendments to the UGB by ordinance in the manner prescribed for ordinances in ~~Chapter~~ chapter VII of the Metro Charter. For each legislative amendment, the Metro Council ~~shall~~ must establish a schedule of public hearings that allows for consideration of the proposed amendment by MPAC, other advisory committees and the general public.

(c) Notice to the public of a proposed legislative amendment of the UGB ~~shall~~ must be provided as prescribed in section 3.07.1465.

(d) Prior to the final hearing on a proposed legislative amendment of the UGB in excess of 100 acres, the COO ~~shall~~ must prepare a report on the effect of the proposed amendment on existing residential neighborhoods. The COO ~~shall~~ must provide copies of the report to all households located within one mile of the proposed amendment area and to all cities and counties within the district at least 20 days prior to the hearing. The report ~~shall~~ must address:

(1) Traffic patterns and any resulting increase in traffic congestion, commute times and air quality;

(2) Whether parks and open space protection in the area to be added will benefit existing residents of the district as well as future residents of the added territory; and

(3) The cost impacts on existing residents of providing needed public facilities and services, police and fire services, public schools, emergency services and parks and open spaces. [Ord. 10-1244B, Sec. 12.]

3.07.1425 Legislative Amendment to the UGB – ~~–~~ Criteria

(a) This section sets forth the factors and criteria for amendment of the UGB from state law and the ~~Regional Framework Plan~~RFP. Compliance with this section ~~shall~~ constitutes compliance with ~~statewide~~ Statewide ~~planning~~ Planning Goal 14, ~~(~~*Urbanization*~~),~~ and the ~~Regional Framework Plan~~RFP.

(b) The Metro Council ~~shall~~ must determine whether there is a need to amend the UGB. In determining whether a need exists, the Metro Council may specify characteristics, such as lot/parcel size, topography or proximity, necessary for land to be suitable for an identified need. The Metro Council's determination ~~shall~~ must be based upon:

(1) Demonstrated need to accommodate future urban population, consistent with a 20-year population range forecast coordinated with affected local governments; and

(2) Demonstrated need for land suitable to accommodate housing, employment opportunities, livability or uses such as public facilities and services, schools, parks, open space, or any combination of the foregoing in this paragraph; and

(3) A demonstration that any need shown under paragraphs (1) and (2) of this subsection cannot reasonably be accommodated on land already inside the UGB.

(c) If the Metro Council determines there is a need to amend the UGB, the Metro Council ~~shall~~ must evaluate areas designated urban reserve for possible addition to the UGB and ~~shall~~ must determine which areas better meet the need considering the following factors:

(1) Efficient accommodation of identified land needs;

(2) Orderly and economic provision of public facilities and services;

(3) Comparative environmental, energy, economic and social consequences; and

(4) Compatibility of proposed urban uses with nearby agricultural and forest activities occurring on land outside the UGB designated for agriculture or forestry pursuant to a statewide planning goal.

(5) Equitable and efficient distribution of housing and employment opportunities throughout the region;

(6) Contribution to the purposes of Centers and Corridors;

(7) Protection of farmland that is most important for the continuation of commercial agriculture in the region;

(8) Avoidance of conflict with regionally significant fish and wildlife habitat; and

(9) Clear transition between urban and rural lands, using natural and built features to mark the transition.

(d) If the Metro Council determines there is a need to amend the UGB for housing, in addition to consideration of the factors listed in subsection (c) of this section, the Metro Council ~~shall~~ must also consider the following factors in determining which urban reserve areas better meet the housing need:

~~Whether the area is adjacent to a city with an acknowledged housing needs analysis that is coordinated with the Metro regional growth forecast and population distribution in effect at the time the city's housing needs analysis or planning process began~~;

(1) Whether the area has been concept planned consistent with section 3.07.1110 ~~of this chapter~~;

(2) Whether the city responsible for preparing the concept plan has demonstrated progress toward the actions described in section 3.07.620 ~~of this chapter~~ in its existing urban areas;

(3) Whether the city responsible for preparing the concept plan has implemented best practices for preserving and increasing the supply and diversity of affordable housing in its existing urban areas; and

(4) Whether the city responsible for preparing the concept plan has taken actions to advance Metro's "~~s~~Six ~~desired o~~Outcomes, Characteristics of a Successful Region" set forth in Chapter One of the ~~Regional Framework Plan~~RFP, which are:

(A) People live, work and play in vibrant communities where their everyday needs are easily accessible;

(B) Current and future residents benefit from the region's sustained economic competitiveness and prosperity;

(C) People have safe and reliable transportation choices that enhance their quality of life;

(D) The region is a leader in minimizing contributions to global warming;

(E) Current and future generations enjoy clean air, clean water and healthy ecosystems;

(F) The benefits and burdens of growth and change are distributed equitably.

(e) The Metro Council may not add land designated rural reserve to the UGB.

(f) The Metro Council may not amend the UGB in such a way that would create an island of urban land outside the UGB or an island of rural land inside the UGB. [Ord. 10-1244B, Sec. 12; Ord. 17-1408.]

3.07.1427 Mid-Cycle Amendments – Procedures

(a) The Metro Council may consider a mid-cycle amendment to the UGB for residential needs between legislative UGB amendments, as provided in ORS 197A.~~299~~362(5)~~(6)~~. Cities may initiate a mid-cycle amendment to the UGB for areas adjacent to the city by filing a proposal on a form provided by Metro.

(b) The COO will accept proposals from cities for mid-cycle UGB amendments during the period that is between 24 and 30 months after the date of the Metro Council's adoption of its most recent analysis of the regional buildable land supply under ORS ~~197.296~~197A.350.

(c) The COO ~~shall~~ must provide written notice of the deadline for proposals for mid-cycle amendments not less than 90 days before the first date proposals may be accepted to each city and county within the Metro region and to anyone who has requested notification.

(d) Proposals must indicate that they have the support of the governing body of the city making the proposal.

(e) As part of any proposal, the city ~~shall~~ must provide the names and addresses of property owners for notification purposes, consistent with section 3.07.1465.

(f) The proposing city ~~shall~~ must provide a concept plan for the urban reserve area that includes the proposed expansion area consistent with section 3.07.1110.

(g) The proposing city ~~shall~~ must provide written responses to the criteria listed in section 3.07.1428(b).

(h) Proposals from cities under this section ~~shall~~ must be initially reviewed by the COO and the Metro Planning, Development and Research Department. No later than 60 days after the final date for receiving proposals under subsection (b) of this section, the COO ~~shall~~ must submit a recommendation to the Metro Council regarding the merits of each proposal, including consideration of the criteria listed in ~~S~~section 3.07.1428.

(i) The Metro Council is not obligated to take action on proposals submitted by cities or on the recommendation of the COO. If the Metro Council chooses to expand the UGB in accordance with one or more of the proposals, it may add no more than 1,000 acres total.

(j) If the Metro Council elects to amend the UGB under this section, it ~~shall~~ must be accomplished by ordinance in the manner prescribed for ordinances in Chapter VII of the Metro Charter. For each mid-cycle amendment, the Metro Council ~~shall~~ must establish a schedule of public hearings that allows for consideration of the proposed amendment by MPAC, other relevant advisory committees, and the public.

(k) Any decision by the Metro Council to amend the UGB under this section must be adopted not more than four years after the date of the Metro Council's adoption of its most recent analysis of the regional buildable land supply under ORS ~~197.296~~197A.350.

(l) Notice to the public of a proposed amendment to the UGB under this section ~~shall~~ must be provided as prescribed in section 3.07.1465. [Ord. 17-1408.]

3.07.1428 Mid-Cycle Amendments – Criteria

(a) In reviewing city proposals for mid-cycle UGB amendments, the Metro Council ~~shall~~ must determine whether each proposal demonstrates a need to revise the most recent analysis of the regional buildable land supply as described in ORS

~~197.299(5)~~197A.350. The Metro Council's decision ~~shall~~ must include consideration of:

(1) Need to accommodate future population, consistent with the most recently adopted 20-year population range forecast; and

(2) Need for land suitable to accommodate housing and supporting public facilities and services, schools, parks, open space, commercial uses, or any combination thereof.

(b) If, after revising its most recent analysis of the buildable land supply under ~~paragraph~~ subsection (a) of this ~~sub~~section, the Metro Council concludes that expansion of the UGB is warranted, the Metro Council ~~shall~~ must evaluate those areas that have been proposed by cities for possible addition to the UGB. Any expansion(s) under this section may not exceed a total of 1,000 acres. Cities proposing mid-cycle UGB amendments ~~shall~~ must demonstrate that:

~~(1) The city has an acknowledged housing needs analysis that was completed in the last six years and is coordinated with the Metro regional growth forecast and population distribution in effect at the time the city's housing needs analysis or planning process began;~~

~~(2)~~(1) The housing planned for the city's proposed UGB expansion area is likely to be built in fewer than 10 years. As part of any proposal, cities must provide a concept plan that is consistent with section 3.07.1110 ~~of this chapter~~. Cities may also provide evidence of property owner support for the proposed UGB expansion, and/or other evidence regarding likelihood of development occurring within 10 years;

~~(3)~~(2) The city has demonstrated progress toward the actions described in section 3.07.620 ~~of this chapter~~ in its existing urban areas;

~~(4)~~(3) The city has implemented best practices for preserving and increasing the supply and diversity of affordable housing in its existing urban areas. Such practices may include regulatory approaches, public investments, incentives, partnerships, and streamlining of permitting processes; and

~~(5)~~(4) The city has taken actions in its existing jurisdiction as well as in the proposed expansion area that will advance Metro's "~~s~~Six ~~desired o~~Outcomes, Characteristics of a Successful Region" set forth in Chapter One of the ~~Regional Framework Plan~~ RFP and in section 3.07.1425(d)(4).

(c) The land proposed for UGB expansion must be a designated urban reserve area.

(d) Mid-cycle UGB amendments made under this section are exempt from the boundary location requirements described in Statewide Planning Goal 14. [Ord. 17-1408.]

3.07.1430 Major Amendments – ~~–~~Procedures

(a) A city, a county, a special district or a property owner may initiate a major amendment to the UGB by filing an application on a form provided by Metro. The COO will accept applications for major amendments between February 1 and March 15 of each calendar year except that calendar year in which the Metro Council is completing its analysis of buildable land supply under ORS ~~197.299~~197A.350. Upon a request by a Metro Councilor and a finding of good cause, the Metro Council may accept an application at other times by a vote of five members of the Metro Council.

(b) Except for that calendar year in which the Metro Council is completing its analysis of buildable land supply, the COO ~~shall~~ must give notice of the March 15 deadline for applications for major amendments not less than 120 days before the deadline and again 90 days before the deadline on Metro's website ~~in a newspaper of general circulation in Metro~~ and in writing to each city and county in Metro and anyone who has requested notification. The notice ~~shall~~ must explain the consequences of failure to file before the deadline and ~~shall~~ must specify the Metro representative from whom additional information may be obtained.

(c) With the application, the applicant ~~shall~~ must provide the names and addresses of property owners for notification purposes, consistent with section 3.07.1465. The list ~~shall~~ must be certified as true and accurate as of the specified date by a title company, a county assessor or designate of the assessor or the applicant.

(d) The applicant ~~shall~~ must provide a written statement from the governing body of each city or county with land use jurisdiction over the area and any special district that has an agreement with that city or county to provide an urban service to the area that it recommends approval or denial of the application. The Metro Council may waive this requirement if the city, county or special district has a policy not to comment on major amendments, or has not adopted a position within 120 days after the applicant's request for the statement. The governing body of a local government may delegate the decision to its staff.

(e) The COO will determine whether an application is complete and will notify the applicant of the determination within seven working days after the filing of the application. The COO will dismiss an application and return application fees if a complete application is not received within the 14 days after the notice of incompleteness.

(f) Within 14 days after receipt of a complete application, the COO will:

(1) Set the matter for a public hearing before a hearings officer for a date no later than 55 days following receipt of a complete application; and

(2) Notify the public of the public hearing as prescribed in section 3.07.1465 ~~of this title~~.

(g) The COO ~~shall~~ must submit a report and recommendation on the application to the hearings officer not less than 15 days before the hearing and send copies to the applicant and others who have requested copies. Any subsequent report by the COO

to be used at the hearing ~~shall~~ must be available to the public at least seven days prior to the hearing.

(h) If the proposed major amendment would add more than 100 acres to the UGB, the COO ~~shall~~ must prepare a report on the effect of the proposed amendment on existing residential neighborhoods in the manner prescribed in ~~subsection (d) of~~ section 3.07.1420(d).

(i) An applicant may request postponement of the hearing within 20 days after filing a complete application. The COO may postpone the hearing for no more than 60 days. If the applicant fails to request rescheduling within 90 days after the request for postponement, the application ~~shall~~ will be considered withdrawn and the COO will return the unneeded portion of the fee deposit assessed pursuant to section 3.07.1460.

(j) Participants at a hearing before a hearings officer need not be represented by an attorney. If a person wishes to represent an organization orally or in writing, the person must show the date of the meeting at which the organization adopted the position presented and authorized the person to represent it.

(k) Failure of the applicant to appear at the hearing ~~shall~~ will be grounds for dismissal of the application unless the applicant requests a continuance prior to the hearing. The applicant has the burden of demonstrating that the proposed amendment complies with the criteria.

(l) The hearings officer ~~shall~~ must provide the following information to participants at the beginning of the hearing:

(1) The criteria applicable to major amendments and the procedures for the hearing;

(2) A statement that testimony and evidence must be directed toward the applicable criteria or other criteria the person believes apply to the proposal; and

(3) A statement that failure to raise an issue in a manner sufficient to afford the hearings officer and participants an opportunity to respond to the issue precludes appeal of that issue.

(m) The hearing ~~shall~~ must be conducted in the following order:

(1) Presentation of the report and recommendation of the COO;

(2) Presentation of evidence and argument by the applicant;

(3) Presentation of evidence and argument in support of or opposition to the application by other participants; and

(4) Presentation of rebuttal evidence and argument by the applicant.

(n) The hearings officer may grant a request to continue the hearing or to leave the record open for presentation of additional evidence upon a demonstration that the evidence could not have been presented during the hearing. If the hearings officer grants a continuance, the hearing ~~shall~~ must be continued to a date, time and place certain at least seven ~~(7)~~ days from the date of the initial evidentiary hearing. A reasonable opportunity ~~shall~~ must be provided at the continued hearing for persons to present and rebut new evidence.

(o) If new evidence is submitted at the continued hearing, the hearings officer may grant a request, made prior to the conclusion of the continued hearing, to leave the record open to respond to the new evidence. If the hearings officer grants the request, the record ~~shall~~ must be left open for at least seven ~~(7)~~ days. Any participant may respond to new evidence during the period the record is left open.

(p) Cross-examination by parties ~~shall~~ must be by submission of written questions to the hearings officer, who ~~shall~~ must give participants an opportunity to submit such questions prior to closing the hearing. The hearings officer may set reasonable time limits for oral testimony and may exclude or limit cumulative, repetitive, or immaterial testimony.

(q) A verbatim record ~~shall~~ must be made of the hearing, but need not be transcribed unless necessary for appeal.

(r) The hearings officer may consolidate applications for hearing after consultation with Metro staff and applicants. If the applications are consolidated, the hearings officer ~~shall~~ must prescribe rules to avoid duplication or inconsistent findings, protect the rights of all participants, and allocate the charges on the basis of cost incurred by each applicant.

(s) Within 15 days following the close of the record, the hearings officer ~~shall~~ must submit a proposed order, with findings of fact and conclusions of law and the record of the hearing, to the COO, who ~~shall~~ must make it available for review by participants.

(t) Within seven ~~(7)~~ days after receipt of the proposed order from the hearings officer, the COO ~~shall~~ must set the date and time for consideration of the proposed order by the Metro Council, which date ~~shall~~ must be no later than 40 days after receipt of the proposed order. The COO ~~shall~~ must provide written notice of the Metro Council meeting to the hearings officer and participants at the hearing before the hearings officer, and ~~shall~~ must post notice of the hearing ~~at~~ on Metro's website, at least 10 days prior to the meeting.

(u) The Metro Council ~~shall~~ must consider the hearings officer's report and recommendation at the meeting set by the COO. The Metro Council will allow oral and written argument by those who participated in the hearing before the hearings officer. Argument must be based upon the record of those proceedings. Final Metro Council action ~~shall~~ must be as provided in section 2.05.045 of the Metro Code. The Metro Council ~~shall~~ must adopt the order, or ordinance if the Metro Council decides

to expand the UGB, within 15 days after the Metro Council's consideration of the hearings officer's proposed order. [Ord. 10-1244B, Sec. 12.]

3.07.1435 Major Amendments – Expedited Procedures

(a) The COO may file an application at any time to add land to the UGB for industrial use~~, pursuant to section 3.07.460,~~ by major amendment following the expedited procedures in this section. The application under this section remains subject to subsections (c), (d), (h), (m) and (q) of section 3.07.1430.

(b) Within 10 days after receipt of a complete application, the Metro Council President will:

(1) Set the matter for a public hearing before the Metro Council for a date no later than 55 days following receipt of a complete application; and

(2) Notify the public of the public hearing as prescribed in section 3.07.1465.

(c) The COO ~~shall~~ must submit a report and recommendation on the application to the Metro Council not less than 15 days before the hearing and send copies to those who have requested copies. Any subsequent report by the COO to be used at the hearing ~~shall~~ must be available to the public at least seven ~~(7)~~ days prior to the hearing.

(d) Participants at the hearing need not be represented by an attorney. If a person wishes to represent an organization orally or in writing, the person must show the date of the meeting at which the organization adopted the position presented and authorized the person to represent it.

(e) The Metro Council President ~~shall~~ must provide the following information to participants at the beginning of the hearing:

(1) The criteria applicable to major amendments and the procedures for the hearing;

(2) A statement that testimony and evidence must be directed toward the applicable criteria or other criteria the person believes apply to the proposal.

(f) The Metro Council President may grant a request to continue the hearing or to leave the record open for presentation of additional evidence upon a demonstration that the evidence could not have been presented during the hearing. If the Metro Council President grants a continuance, the hearing ~~shall~~ must be continued to a date, time and place certain at least seven ~~(7)~~ days from the date of the initial evidentiary hearing. A reasonable opportunity ~~shall~~ must be provided at the continued hearing for persons to present and rebut new evidence.

(g) If new evidence is submitted at the continued hearing, the Metro Council President may grant a request, made prior to the conclusion of the continued hearing, to leave the record open to respond to the new evidence. If the Metro Council President grants the request, the record ~~shall~~ must be left open for at least seven ~~(7)~~ days. Any participant may respond to new evidence during the period the record is left open.

(h) The Metro Council President may set reasonable time limits for oral testimony and may exclude or limit cumulative, repetitive, or immaterial testimony.

(i) Within 15 days following the close of the record, the Metro Council ~~shall~~ must adopt:

(1) An ordinance, with findings of fact and conclusions of law, that amends the UGB to add all or a portion of the territory described in the application; or

(2) A resolution adopting an order, with findings of fact and conclusions of law that denies the application. [Ord. 10-1244B, Sec. 12.]

3.07.1440 Major Amendments – ~~–~~Criteria

(a) The purpose of the major amendment process is to provide a mechanism to address needs for land that cannot wait until the next analysis of buildable land supply under ORS ~~197.299~~197A.350. Land may be added to the UGB under sections 3.07.1430 and 3.07.1440 only for public facilities and services, public schools, natural areas and other non-housing needs and as part of a land trade under subsection (d) of this section. An applicant under section 3.07.1430 must demonstrate compliance with this purpose and these limitations.

(b) The applicant ~~shall~~ must demonstrate that the proposed amendment to the UGB will provide for an orderly and efficient transition from rural to urban land use and complies with the criteria and factors in subsections (b), (c), (d), (e), and (f) of section 3.07.1425. The applicant ~~shall~~ must also demonstrate that:

(1) The proposed uses of the subject land would be compatible, or through measures can be made compatible, with uses of adjacent land;

(2) If the amendment would add land for public school facilities, the coordination required by ~~subsection (c)(5) of~~ section 3.07.1120(c)(5) ~~of this chapter~~ has been completed; and

(3) If the amendment would add land for industrial use pursuant to section 3.07.1435, a large site or sites cannot reasonably be created by land assembly or reclamation of a brownfield site.

(c) If the application was filed under section 3.07.1435, the applicant ~~shall~~ must demonstrate that the amendment is consistent with any concept plan for the area developed pursuant to section 3.07.1110 of this chapter.

(d) To facilitate implementation of the Metropolitan Greenspaces Master Plan of 1992, the Metro Council may add land to the UGB in a trade that removes a nearly equal amount of land from the UGB. If the Metro Council designates the land to be added for housing, it ~~shall~~ must designate an appropriate average density per net developable acre. [Ord. 10-1244B, Sec. 12. Ord. 15-1357.]

3.07.1445 Minor Adjustments – ~~–~~Procedures

(a) Minor adjustments make small changes to the UGB so that land within the UGB functions more efficiently and effectively. A city, a county, a special district, Metro

or a property owner may initiate a minor adjustment to the UGB by filing an application on a form provided by Metro. The application ~~shall~~ must include a list of the names and addresses of owners of property within 100 feet of the land involved in the application. The application ~~shall~~ must also include the positions on the application of appropriate local governments and special districts, in the manner required by ~~subsection (d) of~~ section 3.07.1430(d).

(b) The COO will determine whether an application is complete and ~~shall~~ must notify the applicant of the determination within ~~ten~~ 10 working days after the filing of the application. If the application is not complete, the applicant ~~shall~~ must complete it within 14 days of notice of incompleteness. -The COO will dismiss an application and return application fees if a complete application is not received within 14 days of the notice of incompleteness.

(c) Notice to the public of a proposed minor adjustment of the UGB ~~shall~~ must be provided as prescribed in section 3.07.1465.

(d) The COO ~~shall~~ must review the application for compliance with the criteria in section 3.07.1450 and ~~shall~~ must issue an order with analysis and conclusions within 90 days of receipt of a complete application. The COO ~~shall~~ must send a copy of the order to the applicant, the city or county with jurisdiction over the land that is the subject of the application, to each member of the Metro Council and any person who requests a copy.

(e) The applicant or any person who commented on the application may appeal the COO's order to the Metro Council by filing an appeal on a form provided by Metro within 14 days after receipt of the order. A member of the Metro Council may request in writing within 14 days of receipt of the order that the decision be reviewed by the Metro Council. The Metro Council ~~shall~~ must consider the appeal or Metro Councilor referral at a public hearing held not more than 60 days following receipt of a timely appeal or referral.

(f) Notice to the public of a Metro Council hearing on a proposed minor adjustment to the UGB ~~shall~~ must be provided as prescribed in section 3.07.1465.

(g) Following the hearing, the Metro Council ~~shall~~ must uphold, deny or modify the COO's order. The Metro Council ~~shall~~ must issue an order with its analysis and conclusions and send a copy to the appellant, the city or county with jurisdiction over the land that is the subject of the application and any person who requests a copy. [Ord. 10-1244B, Sec. 12.]

3.07.1450 Minor Adjustments – Criteria

(a) The purpose of this section is to provide a mechanism to make small changes to the UGB in order to make land within it function more efficiently and effectively. It is not the purpose of this section to add land to the UGB to satisfy a need for housing or employment. This section establishes criteria that embody state law and ~~Regional Framework Plan~~RFP policies applicable to minor adjustments.

(b) Metro may adjust the UGB under this section only for the following reasons: (1) to site roads and lines for public facilities and services; (2) to trade land outside the UGB for land inside the UGB; or (3) to make the UGB coterminous with nearby property lines or natural or built features.

(c) To make a minor adjustment to site a public facility line or road, or to facilitate a trade, Metro ~~shall~~ must find that:

(1) The adjustment will result in the addition to the UGB of no more than two net acres for a public facility line or road and no more than 20 net acres in a trade;

(2) Adjustment of the UGB will make the provision of public facilities and services easier or more efficient;

(3) Urbanization of the land added by the adjustment would have no more adverse environmental, energy, economic or social consequences than urbanization of land within the existing UGB;

(4) Urbanization of the land added by the adjustment would have no more adverse effect upon agriculture or forestry than urbanization of land within the existing UGB;

(5) The adjustment will help achieve the 2040 Growth Concept;

(6) The adjustment will not result in an island of urban land outside the UGB or an island of rural land inside the UGB; and

(7) If the adjustment is to facilitate a trade, the adjustment would not add land to the UGB that is designated rural reserve or for agriculture or forestry pursuant to a statewide planning goal.

(d) To approve a minor adjustment to make the UGB coterminous with property lines, or natural or built features, Metro ~~shall~~ must find that:

(1) The adjustment will result in the addition of no more than two net acres to the UGB;

(2) Urbanization of the land added by the adjustment would have no more adverse environmental, energy, economic or social consequences than urbanization of land within the existing UGB;

(3) Urbanization of the land added by the adjustment would have no more adverse effect upon agriculture or forestry than urbanization of land within the existing UGB;

(4) The adjustment will help achieve the 2040 Growth Concept; and

(5) The adjustment will not result in an island of urban land outside the UGB or an island of rural land inside the UGB.

(e) Where the UGB is intended to be coterminous with the 100-year floodplain, as indicated on the map of the UGB maintained by Metro's Data Resource Center, Metro may adjust the UGB in order to conform it to a more recent delineation of the floodplain. To approve such an adjustment, Metro ~~shall~~ must find that:

(1) The delineation was done by a professional engineer registered by the State of Oregon;

(2) The adjustment will result in the addition of no more than 20 net acres to the UGB;

(3) The adjustment will help achieve the 2040 Growth Concept; and

(4) The adjustment will not result in an island of urban land outside the UGB or an island of rural land inside the UGB.

(f) If a minor adjustment adds more than two ~~(2)~~ acres of land available for housing to the UGB, Metro ~~shall~~ must designate an appropriate average density per net developable acre for the area.

(g) The COO ~~shall~~ must submit a report to the Metro Council at the end of each calendar year with an analysis of all minor adjustments made during the year. The report shall demonstrate how the adjustments, when considered cumulatively, are consistent with and help achieve the 2040 Growth Concept. [Ord. 10-1244B, Sec. 12.]

3.07.1455 Conditions of Approval

(a) Land added to the UGB pursuant to sections 3.07.1420, 3.07.1430 ~~and~~ or 3.07.1435 shall be is subject to the requirements of sections 3.07.1120 and 3.07.1130 ~~of this chapter~~.

(b) If the Metro Council amends the UGB pursuant to sections 3.07.1420, 3.07.1430 or 3.07.1435, it ~~shall~~must:

(1) In consultation with affected local governments, designate the city or county responsible for adoption of amendments to comprehensive plans and land use regulations to allow urbanization of each area added to the UGB, pursuant to Title 11, *Planning for New Urban Areas*, of this chapter. If local governments have an agreement in a concept plan developed pursuant to Title 11 that establishes responsibility for adoption of amendments to comprehensive plans and land use regulations for the area, the Metro Council ~~shall~~ must assign responsibility according to the agreement~~.~~;

(2) ~~Establish~~ Designate the 2040 Growth Concept ~~design~~ Design ~~type~~ Type ~~designations~~ applicable to the land added to the UGB, ~~including~~ considering the specific land need, if any, that is the basis for the amendment. If the ~~design~~ Design ~~type~~ Type designation authorizes housing, the Metro Council ~~shall~~ must designate an appropriate average density per net developable acre consistent with the need for which the UGB is expanded~~.~~;

(3) Establish the boundaries of the area that ~~shall~~ must be included in the planning required by Title 11. A planning area boundary may include territory designated urban reserve, outside the UGB~~.~~; and

(4) Establish the time period for city or county compliance with the requirements of Title 11, which ~~shall~~ will be two ~~(2)~~ years following the effective date of the ordinance adding the area to the UGB unless otherwise specified.

(c) If the Metro Council amends the UGB pursuant to any of the sections of this title, it may establish other conditions it deems necessary to ensure the addition of land complies with state planning laws and the ~~Regional Framework Plan~~RFP. If a city or county fails to satisfy a condition, the Metro Council may enforce the condition after following the notice and hearing process set forth in section 3.07.850 of this chapter. [Ord. 10-1244B, Sec. 12. Ord. 15-1357.]

3.07.1460 Fees

(a) Each application submitted by a property owner or group of property owners pursuant to this title ~~shall~~ must be accompanied by a filing fee in an amount to be established by the Metro Council. Such fee ~~shall~~ may not exceed Metro's actual cost to process an application. The fee may include administrative costs, and the cost of a hearings officer and ~~of~~ public notice.

(b) The fee for costs ~~shall~~ must be charged from the time an application is filed through mailing of the notice of adoption or denial to the Department of Land Conservation and Development (DLCD) and other interested persons.

(c) Before a hearing is scheduled, an applicant ~~shall~~ must submit a fee deposit. In the case of an application for a minor adjustment pursuant to section 3.07.1445, the applicant ~~shall~~ must submit the fee deposit with the application.

(d) The unexpended portion of an applicant's deposit, if any, ~~shall~~ will be returned to the applicant at the time of final disposition of the application. If hearings costs exceed the amount of the deposit, the applicant ~~shall~~ must pay to Metro an amount equal to the costs in excess of the deposit prior to final action by the Metro Council.

(e) The Metro Council may, by resolution, reduce, refund or waive the fee, or portion thereof, if it finds that the fee would create an undue hardship for the applicant. [Ord. 10-1244B, Sec. 12.]

3.07.1465 Notice Requirements for Proposed Amendments by Amendment Type

(a) For a proposed legislative amendment under section 3.07.1420, the COO ~~shall~~ must provide notice of the public hearing ~~in the following manner~~:

(1) In writing to ~~the Department of Land Conservation and Development~~DLCD and local governments of the Metro region at least 35 days before the first public hearing on the proposal; and

(2) To the general public at least 35 days before the first public hearing ~~by an advertisement no smaller than 1/8 page in a newspaper of general circulation in the Metro area and~~ by posting notice on ~~the~~ Metro's website.

(b) For a proposed mid-cycle amendment under section 3.07.1427, the COO ~~shall~~ must provide notice of the first public hearing on the proposal ~~in the following manner~~:

(1) In writing at least 35 days before the first public hearing on the proposal to:

(A) ~~The Department of Land Conservation and Development~~DLCD;

(B) The owners of property that is being proposed for addition to the UGB; and

(C) The owners of property within 250 feet of property that is being considered for addition to the UGB, or within 500 feet of the property if it is designated for agriculture or forestry pursuant to a statewide planning goal;

(2) In writing at least 30 days before the first public hearing on the proposal to:

(A) The local governments of the Metro ~~area~~region;

(B) A neighborhood association, community planning organization, or other organization for ~~citizen~~ public involvement whose geographic area of interest includes or is adjacent to the subject property and which is officially recognized as entitled to participate in land use decisions by the cities and counties whose jurisdictional boundaries include or are adjacent to the site; and

(C) Any other person who requests notice of amendments to the UGB.

(3) To the general public by posting notice on ~~the~~ Metro's website at least 30 days before the first public hearing on the proposal.

(c) For a proposed major amendment under ~~the S~~sections 3.07.1430 or 3.07.1435, the COO ~~shall~~ must provide notice of the hearing ~~in the following manner~~:

(1) In writing at least 35 days before the first public hearing on the proposal to:

(A) The applicant;

(B) The director of ~~the Department of Land Conservation and Development~~DLCD;

(C) The owners of property that is being considered for addition to the UGB; and

(D) The owners of property within 250 feet of property that is being considered for addition to the UGB, or within 500 feet of the property

if it is designed for agriculture or forestry pursuant to a statewide planning goal;

(2) In writing at least 30 days before the first public hearing on the proposal to:

(A) The local governments of the Metro ~~area~~region;

(B) A neighborhood association, community planning organization, or other organization for ~~citizen~~ public involvement whose geographic area of interest includes or is adjacent to the subject property and which is officially recognized as entitled to participate in land use decisions by cities and counties whose jurisdictional boundaries include or are adjacent to the site, and to any other person who requests notice of amendments to the UGB; and

(C) To the general public by posting notice on ~~the~~ Metro's website at least 30 days before the first public hearing on the proposal.

(d) The notice required by subsections (a), (b) and (c) of this section ~~shall~~must include:

(1) A map showing the location of the area subject to the proposed amendment;

(2) A description of the area subject to the proposed amendment reasonably expected to give notice as to its actual location, with street address or other easily understood geographical reference if available~~The time, date and place of the hearing~~;

(3) A general explanation of the criteria for the amendment, the requirements for submission of testimony and the procedure for conduct of hearings~~A description of the property reasonably calculated to give notice as to its actual location, with street address or other easily understood geographical reference if available~~;

(4) The time, date and place of the hearing on the proposed amendment~~A statement that interested persons may testify and submit written comments at the hearing~~;

(5) A statement that interested persons may testify and submit written comments at the hearing~~The name of the Metro staff to contact and telephone number for more information~~;

(6) A statement that a copy of the written report and recommendation of the COO on the proposed amendment will be available at reasonable cost 20 days prior to the hearing; and

(7) The name of the Metro staff to contact, an email address and telephone number for more information~~A general explanation of the criteria for the amendment, the requirements for submission of testimony and the procedure for conduct of hearings~~;

(8) For proposed major amendments only:

(A) An explanation of the proposed boundary change;

(B) A list of the applicable criteria for the proposal; and

(C) A statement that failure to raise an issue at the hearing, orally or in writing, or failure to provide sufficient specificity to afford the decision maker an opportunity to respond to the issue precludes an appeal based on the issue.

(9) For the owners of property described in ~~subsection~~ paragraph (c)(1)(C) of this section, the information required by ORS 268.393(3).

(e) For a proposed minor adjustment under section 3.07.1445, the COO ~~shall~~ must provide notice ~~in the following manner~~:

(1) In writing to the director of ~~the Department of Land Conservation and Development~~DLCD at least 35 days before the issuance of an order on the proposal;

(2) In writing at least 20 days before the issuance of an order on the proposal to:

(A) The applicant and the owners of property subject to the proposed adjustment;

(B) The owners of property within 500 feet of the property subject to the proposed adjustment;

(C) The local governments in whose planning jurisdiction the subject property lies or whose planning jurisdiction lies adjacent to the subject property;

(D) Any neighborhood association, community planning organization, or other organization for ~~citizen~~ public involvement whose geographic area of interest includes the area subject to the proposed amendment and which is officially recognized as entitled to participate in land use decisions by the city or county whose jurisdictional boundary includes the subject property; and

(E) Any other person requesting notification of UGB changes.

(f) The notice required by subsection (e) of this section ~~shall~~must include:

(1) A map showing the location of the area subject to the proposed amendment;

(2) A description of the ~~property~~ area subject to the proposed amendment reasonably ~~calculated~~ expected to give notice as to its actual location, with street address or other easily understood geographical reference if available;

(3) A list of the applicable criteria for the proposal~~A statement that interested persons may submit written comments and the deadline for the comments~~;

(4) A statement that interested persons may submit written comments and the deadline for the comments~~The name of the Metro staff to contact and telephone number for more information~~; and

(5) The name of the Metro staff to contact, an email address and telephone number for more information~~A list of the applicable criteria for the proposal~~.

3.07.1470 Notice of Amendment Hearing to Tribes and Request for Information

(a) At least 45 days prior to the first evidentiary hearing on a proposed amendment to the UGB, notice of the proposed amendment must be provided to Tribes with an ancestral connection to land within the Metro district or the UGB. The Tribes with an ancestral connection to this land are those identified as having ancestral connection to this land on a list obtained from the Legislative Commission on Indian Services.

(b) The notice to Tribes required by subsection (a) of this section must include:

(1) A map showing the location of the area subject to the proposed amendment;

(2) A description of the area subject to the proposed amendment reasonably expected to give notice as to its actual location, with street address or other easily understood geographical reference if available;

(3) A general explanation of the criteria for the amendment, the requirements for submission of testimony and the procedure for conduct of hearings;

(4) Information on accessing any concept plan for an area proposed to be added to the UGB as part of the amendment;

(5) A request for information on potential conflicts between future urbanization of a proposed UGB expansion area on cultural areas;

(6) The time, date and place of the hearing on the proposed amendment;

(7) A statement that interested persons may testify and submit written comments at the hearing;

(8) A statement of when any written report and recommendation of the COO on the proposed amendment will be available and how it may be obtained; and

(9) The name of the Metro staff to contact, an email address, and telephone number for more information.

(c) When Metro receives information describing a potential conflict with an archaeological site, it must inform the Oregon State Historic Preservation Office (SHPO) of the information prior to adoption of the UGB amendment and follow SHPO's direction for managing information on known or suspected archaeological sites, including information that is exempt from public records disclosure under ORS 192.345(11). Metro must convey the responses to the notice required by

subsection (a) of this section from a Tribe to the city or county responsible for comprehensive planning of the UGB expansion area consistent with SHPO's direction.

3.07.1475 Notice of Adopted Amendments

The COO ~~shall~~ must notify each county and city in the Metro district of each adopted amendment of the UGB. [Ord. 10-1244B, Sec. 12. Ord. 15-1357; Ord. 17-1408.]

~~SECTIONS TITLE~~

3.09.010 Purpose and Applicability
3.09.020 Definitions
3.09.030 Notice Requirements
3.09.040 Requirements for Petitions
3.09.045 Expedited Decisions
3.09.050 Hearing and Decision Requirements for Decisions Other Than Expedited Decisions
3.09.060 Process to Make Boundary Change Effective
3.09.070 Changes to the Metro~~'s~~ Boundary
3.09.080 Incorporation of a City that Includes Territory Within the Metro~~'s~~ Boundary
3.09.090 Extension of Services Outside UGB

3.09.010 Purpose and Applicability

The purpose of this chapter is to carry out the provisions of ORS 268.347 to 268.354. This chapter applies to boundary changes within the ~~boundaries of Metro~~Metro boundary or of urban reserves designated by Metro and any annexation of territory to the Metro boundary. Nothing in this chapter affects the jurisdiction of the Metro Council to amend ~~the region~~Metro's ~~Urban~~ urban ~~Growth~~ growth ~~Boundary~~ boundary (UGB). [Ord. 98-791, Sec. 1. Ord. 07-1165A, Sec. 1. Ord. 10-1244B, Sec. 14. Ord. 12-1276, Sec. 1.]

3.09.020 Definitions

~~"~~**Adequate level of urban services**~~"~~ means a level of urban services adequate to support the higher number of dwelling units and jobs specified for the appropriate ~~d~~Design ~~t~~Type in section 3.07.640(a) of ~~Title 6 of *the Urban Growth Management Functional Plan*,~~the Metro Code or in the ordinance adopted by the Metro Council that added the area to be incorporated, or any portion of it, to the UGB.

Affected entity means a county, city or district for which a boundary change is proposed or is ordered.

Affected territory means territory described in a petition.

Boundary change means a major or minor boundary change involving affected territory lying within the ~~jurisdictional boundaries of Metro~~Metro boundary or the boundaries of urban reserves designated pursuant to ORS 195.137 to 195.145.

Deliberations means discussion among members of a reviewing entity leading to a decision on a proposed boundary change at a public meeting for which notice was given under this chapter.

District means a:

(a) Domestic water supply district organized under ORS chapter 264;

(b) Park and recreation district organized under ORS chapter 266;

(c) Metropolitan service district organized under ORS chapter 268;

(d) Sanitary district organized under ORS 450.005 to 450.245;

(e) Sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989; or

(f) District formed under ORS 451.410 to 451.610 to provide water or sanitary service.

Final decision means the action by a reviewing entity, adopted by ordinance, resolution or other means, that determines compliance of the proposed boundary change with applicable criteria and requires no further discretionary action by the reviewing entity other than any required referral to electors. Final decision does not include resolutions, ordinances or other actions whose sole purpose is to refer the boundary change to electors, to declare the results of an election, or to defer or continue deliberations on a proposed boundary change.

Major boundary change means the formation, merger, consolidation or dissolution of a city or district.

Metro boundary means the boundary of Metro as a metropolitan service district.

Minor boundary change means an annexation or withdrawal of territory to or from a city or district or from a county to a city. Minor boundary change also means an extra-territorial extension of water or sewer service by a city or district. Minor boundary change does not mean withdrawal of territory from a district under ORS 222.520.

Necessary party means any county; city; district whose jurisdictional boundary or adopted urban service area includes any part of the affected territory or who provides any urban service to any portion of the affected territory; Metro; or any other unit of local government, as defined in ORS 190.003, that is a party to any agreement for provision of an urban service to the affected territory.

Petition means any form of action that initiates a boundary change.

Reviewing entity means the governing body of a city, county or Metro, or its designee.

"Urban reserve" means land designated by Metro pursuant to ORS 195.137 et seq. for possible addition to the UGB.

Urban services means sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit. [Ord. 98-791, Sec. 1. Ord. 99-803, Sec. 1. Ord. 02-972A, Sec. l. Ord. 07-1165A, Sec. 1. Ord. 10-1244B, Sec. 14. Ord. 12-1276, Sec. 1.]

3.09.030 Notice Requirements

(a) The notice requirements in this section apply to all boundary change decisions by a reviewing entity except expedited decisions made pursuant to section 3.09.045. These requirements apply in addition to, and do not supersede, applicable requirements of ORS ~~Chapters~~ chapters 197, 198, 221 and 222 and any city or county charter provision on boundary changes.

(b) Within 45 days after a reviewing entity determines that a petition is complete, the entity ~~shall~~ must set a time for deliberations on a boundary change. The reviewing entity ~~shall~~ must give notice of its proposed deliberations by mailing notice to all necessary parties, by weatherproof posting of the notice in the general vicinity of the affected territory, and by publishing notice in a newspaper of general circulation in the affected territory. Notice ~~shall~~ must be mailed and posted at least 20 days prior to the date of deliberations. Notice ~~shall~~ must be published as required by state law.

(c) The notice required by subsection ~~(B)~~ (b) of this section ~~shall~~must:

(1) Describe the affected territory in a manner that allows certainty;

(2) State the date, time and place where the reviewing entity will consider the boundary change; and

(3) State the means by which any person may obtain a copy of the reviewing entity's report on the proposal.

(d) A reviewing entity may adjourn or continue its final deliberations on a proposed boundary change to another time. For a continuance later than 28 days after the time stated in the original notice, notice ~~shall~~ must be reissued in the form required by subsection ~~(B)~~ (b) of this section at least five days prior to the continued date of decision.

(e) A reviewing entity's final decision ~~shall~~ must be written and authenticated as its official act within 30 days following the decision and mailed or delivered to Metro and to all necessary parties. The mailing or delivery to Metro ~~shall~~ must include payment to Metro of ~~the~~ any filing fee required pursuant to section 3.09.060. [Ord. 98-791, Sec. 1. Ord. 99-803, Sec. 1. Ord. 07-1165A, Sec. 1.]

3.09.040 Requirements for Petitions

(a) A petition for a boundary change must contain the following information:

(1) The jurisdiction of the reviewing entity to act on the petition;

(2) A map and a legal description of the affected territory in the form prescribed by the reviewing entity;

(3) For minor boundary changes, the names and mailing addresses of all persons owning property and all electors within the affected territory as shown in the records of the tax assessor and county clerk; and

(4) For boundary changes under ORS 198.855(3), 198.857, 222.125 or 222.170, statements of consent to the annexation signed by the requisite number of owners or electors.

(b) A city, county and Metro may charge a fee to recover its reasonable costs to carry out its duties and responsibilities under this chapter. [Ord. 98-791, Sec. 1. Ord. 02-972A, Sec. l. Ord. 07-1165A, Sec. 1.]

3.09.45 Expedited Decisions

(a) The governing body of a city or Metro may use the process set forth in this section for minor boundary changes for which the petition is accompanied by the written consents of ~~one hundred~~100 percent of property owners and at least ~~fifty~~ 50 percent of the electors, if any, within the affected territory. No public hearing is required.

(b) The expedited process must provide for a minimum of 20 days' notice prior to the date set for decision to all necessary parties and other persons entitled to notice by the laws of the city or Metro. The notice ~~shall~~ must state that the petition is subject to the expedited process unless a necessary party gives written notice of its objection to the boundary change.

(c) At least seven days prior to the date of decision the city or Metro ~~shall~~ must make available to the public a report that includes the following information:

(1) The extent to which urban services are available to serve the affected territory, including any extra-territorial extensions of service;

(2) Whether the proposed boundary change will result in the withdrawal of the affected territory from the legal boundary of any necessary party; and

(3) The proposed effective date of the boundary change.

(d) To approve a boundary change through an expedited process, the city ~~shall~~must:

(1) Find that the change is consistent with expressly applicable provisions in:

(A) Any applicable urban service agreement adopted pursuant to ORS 195.065;

(B) Any applicable annexation plan adopted pursuant to ORS 195.205;

(C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020(2) between the affected entity and a necessary party;

(D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services;

(E) Any applicable comprehensive plan;

(F) Any applicable concept plan; and

(5) Consider whether the boundary change would:

(A) Promote the timely, orderly and economic provision of public facilities and services;

(B) Affect the quality and quantity of urban services; and

(C) Eliminate or avoid unnecessary duplication of facilities or services.

(e) A city may not annex territory that lies outside the UGB, except it may annex a lot or parcel that lies partially within and partially outside the UGB. A city that annexes a lot or parcel lying partially within and partially outside the UGB must provide Metro with

a legal description and map of the portion of the lot or parcel within the UGB if the territory is also annexed to the Metro boundary pursuant to section 3.09.070(g). [Ord. 99-803, Sec. 1. Ord. 07-1165A, Sec. 1. Ord. 10-1244B, Sec. 14.]

3.09.050 Hearing and Decision Requirements for Decisions Other Than Expedited Decisions

(a) The following requirements for hearings on petitions operate in addition to requirements for boundary changes in ORS ~~Chapters~~ chapters 198, 221 and 222 and the reviewing entity's charter, ordinances or resolutions.

(b) Not later than 15 days prior to the date set for a hearing the reviewing entity ~~shall~~ must make available to the public a report that addresses the criteria identified in subsection ~~(D)~~ (d) of this section and includes the following information:

(1) The extent to which urban services are available to serve the affected territory, including any extra territorial extensions of service;

(2) Whether the proposed boundary change will result in the withdrawal of the affected territory from the legal boundary of any necessary party; and

(3) The proposed effective date of the boundary change.

(c) The person or entity proposing the boundary change has the burden to demonstrate that the proposed boundary change meets the applicable criteria.

(d) To approve a boundary change, the reviewing entity ~~shall~~ must apply the criteria and consider the factors set forth in ~~subsections (D) and (E) of~~ section 3.09.045(d) and (e). [Ord. 98-791, Sec. 1. Ord. 99-803, Sec. 1. Ord. 02-964, Sec. 4. Ord. 07-1165A, Sec. 1.]

3.09.060 Process to Make Boundary Change Effective

(a) After a reviewing entity makes a final decision on a boundary change, the entity and Metro ~~shall~~ must follow the process set forth below:

(1) The reviewing entity ~~shall~~ must send its final decision, with the map, legal description and other supporting materials required by law, to the Oregon Department of Revenue (DOR);

(2) The DOR will review the materials to determine whether they are in final approval form and notify the reviewing entity of its determination;

(3) The reviewing entity ~~shall~~ must send its final decision, with supporting materials and the DOR approval, to Metro;

(4) Metro ~~shall~~ must record and map the final decision, with supporting materials and DOR determination, and send it to the Secretary of State (SOS), the reviewing entity, the appropriate county assessor's and elections offices, making the final decision effective on the date of Metro's submittal;

(5) The SOS will send its filing letter to Metro;

(6) Metro ~~shall~~ must post the final decision, supporting materials, the DOR determination and the SOS filing letter ~~at~~ on ~~the~~ Metro's website.

(b) If a reviewing entity notifies Metro that the entity needs expedited treatment of its final decision at the time the entity sends its decision to the DOR, Metro ~~will ensure it~~must complete~~s~~ Step 4 in subsection ~~A~~ (a) of this section within one working day of its receipt of the final decision and DOR determination from the entity.

(c) The COO ~~shall~~ may establish a fee structure establishing the amounts to be paid by the reviewing entity with submittal of its final decision in Step 3 of subsection ~~A~~ (a) of this section to cover Metro's costs for the services set forth in this section. The COO ~~shall~~ must file ~~the~~ a fee schedule they establish with the Clerk of the Metro Council and send it to all cities, counties and special districts in the Metro ~~region~~boundary.

(d) Metro ~~shall~~ must create and keep current maps of district boundaries and the boundaries of all cities and counties within the Metro boundary. The maps and any additional information requested that relates to boundary changes ~~shall~~ must be made available to the public at a price that reimburses Metro for its costs. [Ord. 98-791, Sec. 1. Ord. 02-972A, Sec. l. Ord. 07-1165A, Sec. 1. Ord. 10-1244B, Sec. 14. Ord. 12-1276, Sec. 1.]

3.09.070 Changes to the Metro~~'s~~ Boundary

(a) Changes to the Metro~~'s~~ boundary may be initiated by Metro or the county responsible for land use planning for the affected territory, property owners and electors in the territory to be annexed, or other public agencies if allowed by ORS 198.850(3). Petitions ~~shall~~ must meet the requirements of section 3.09.040 ~~above~~. The COO ~~shall~~ may establish a filing fee schedule for petitions ~~that shall~~to reimburse Metro for the expense of processing and considering petitions. The fee schedule established by the COO ~~shall~~ must be filed with the Clerk of the Metro Council.

(b) Notice of proposed changes to the Metro boundary ~~shall~~ must be given as required pursuant to section 3.09.030, except that the weatherproof posting and newspaper publication are not required.

(c) Hearings ~~shall~~ must be conducted consistent with the requirements of section 3.09.050.

(d) Changes to the Metro boundary may be made pursuant to the expedited process set forth in section 3.09.045.

(e) The following criteria ~~shall~~ apply in lieu of the criteria set forth in ~~subsection (D) of~~ section 3.09.050(d). The Metro Council's final decision on a boundary change ~~shall~~ must include findings and conclusions to demonstrate that:

(1) The affected territory lies within the UGB;

(2) The territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services; and

(3) The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS ~~Chapter~~ chapter 195 and any concept plan.

(f) Changes to the Metro boundary that occur by operation of law pursuant to ORS 268.390(3)(b) are not subject to the procedures or criteria set forth in ~~this~~ subsections (a) through (e) of this section.

(g) Annexations of territory within the UGB by a city under ORS chapter 222 are not subject to procedures or criteria set forth in subsections (a) through (e) of this section. When a city annexes territory under ORS chapter 222 and that territory is within the UGB, the territory is annexed into the Metro boundary without further proceedings. [Ord. 99-818A, Sec. 5. Ord. 02-972A, Sec. 1. Ord. 04-1033A, Sec. 1. Ord. 07-1165A, Sec. 1. Ord. 10-1244B, Sec. 14.]

3.09.080 Incorporation of a City that Includes Territory Within the Metro~~'s~~ Boundary

(a) A petition to incorporate a city that includes territory within the Metro~~'s~~ boundary ~~shall~~ must comply with the minimum notice requirements in section 3.09.030, the minimum requirements for a petition in section 3.09.040, and the hearing and decision requirements in ~~subsections (A) and (C) of~~ section 3.09.050(a) and (c), except that the legal description of the affected territory required by section 3.09.040(a)~~(1)~~(2) need not be provided until after the ~~Board~~ board of ~~County~~ county ~~Commissioners~~ commissioners establishes the final boundary for the proposed city.

(b) A petition to incorporate a city that includes territory within the Metro~~'s jurisdictional~~ boundary may include territory that lies outside Metro's UGB. However, incorporation of a city with such territory ~~shall~~ does not authorize urbanization of that territory until the Metro Council includes the territory in the UGB pursuant to Metro Code ~~Chapter~~ chapter 3.07.

(c) The following criteria ~~shall~~ apply in lieu of the criteria set forth in section 3.09.050~~(D)~~(d). An approving entity shall demonstrate that:

(1) Incorporation of the new city complies with applicable requirements of ORS 221.020, 221.031, 221.034 and 221.035;

(2) The petitioner's economic feasibility statement must demonstrate that the city's proposed permanent rate limit would generate sufficient operating tax revenues to support an adequate level of urban services, as defined in this chapter and required by ORS 221.031; and

~~(3)~~ Any city whose approval of the incorporation is required by ORS 221.031(4) has given its approval or has failed to act within the time specified in that statute. [Ord. 04-1033A, Sec. 1. Ord. 07-1165A, Sec. 1. Ord. 10-1244B, Sec. 14. ~~3.09.090 Extension of Services Outside UGB~~

~~(4)~~(3) ~~Neither a city nor a district may extend water or sewer service from inside a UGB to territory that lies outside the UGB.~~Ord. 10-1244B, Sec. 14.]

****

Findings of Fact and Conclusions of Law

Ordinance No. 25-1535 amends Metro Code chapter 3.07, *Urban Growth Management Functional Plan (UGMFP)*, and chapter 3.09, *Local Government Boundary Changes*. The following findings of fact and conclusions of law explain how the Metro Council decision to adopt this ordinance complies with relevant state and regional land use goals and provisions.

A. Statewide Planning Goals

Goal 1 – Citizen Involvement:
The amendments were considered at public Metro Technical Advisory Committee (MTAC) meetings on September 17 and October 15, 2025, and at public Metro Policy Advisory Committee (MPAC) meetings on October 22 and November 19, 2025. Notice of the amendments were submitted to the Department of Land Conservation and Development (DLCD) Post Acknowledgement Plan Amendment (PAPA) system 35 days before, and online one week in advance of, the December 4, 2025, public hearing on the amendments with the Metro Council. The adopted amendments will also be provided to all cities and counties in Metro as required by Metro Code.

The amendments do not reduce opportunities for public input. The amendments do repeal requirements in subsection 3.09.070(B) for printing and posting of weatherproof public notice signs, and for newspaper publications of notices, as part of applications for Metro boundary annexation. The amendments also repeal requirements in UGMFP Title 14 for notices of the application period for UGB major amendments to be printed in s newspaper. However, these types of notices provided very limited public awareness. The signs for Metro boundary annexation proceedings, for example, have often been too small to be easily spotted and are posted in undeveloped areas where nearby property owners are already mailed notices directly. The newspaper notices also did not include maps and were in subscription-based publications. The amendments instead require notices to be posted on Metro's free and more accessible website.

Goal 2 – Land Use Planning:
The amendments do not 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, or change allowed uses, of Goal 3 agricultural land.

Goal 4 – Forest Lands:
The amendments do not reduce the supply, or change allowed uses, of Goal 4 forest land.

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 do not change the land use plan designation or zoning of any property or amend any UGB. The amendments do codify new Goal 5 related state regulations in Oregon Administrative Rules (OAR) chapter 660, division 23 for providing certain notice to Tribes of proposed UGB amendments. They also clarify, without substantively changing, existing provisions of UGMFP Title 13, *Nature in Neighborhoods*.

Goal 6 – Air, Water and Land Resources Quality:
The amendments do not change any air, water, or land resource quality protection plan or requirement. The amendments to UGMFP Title 3, *Water Quality and Flood Management*, make only the minor, non-substantive changes.

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. The amendments to UGMFP Title 3, *Water Quality and Flood Management*, make only the minor, non-substantive changes.

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 not concern destination resorts on rural lands.

Goal 9 – Economic Development:
The amendments do not reduce the supply of sites that may be used for employment (e.g., commercial or industrial) uses or modify the protections on industrial and other employment areas that Metro requires of cities and counties (e.g., those in UGMFP Title 4, *Industrial and Other Employment Areas*). The amendments do not adopt or amend an economic opportunity analysis.

Goal 10 – Housing:
The amendments do not change any housing related projection or development standard, nor do they change the plan designation, zoning, or allowable density of any property. Repealing section 3.07.720 and Table 3.07-7 simply removes outdated and already inoperative provisions that were only for the five-year period between 2001 and 2006. The amendments to subsections 3.07.1425(d) and 3.07.1428(b) repeal the text of an already defunct requirement that the Metro Council consider whether a UGB amendment area is adjacent to a city with an acknowledged housing needs analysis that is coordinated with Metro, as cities: no longer conduct their own housing needs analyses as previously understood; get a housing target and need allocation from the state under the Oregon Housing Needs Analysis program; respond with a Housing Production Strategy and Housing Capacity Analysis; and operate on a six-year housing analysis schedule with review done by the state.

Goal 11 – Public Facilities and Services:
The amendments 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 change a transportation system plan (e.g., Metro's Regional Transportation Plan) or any transportation system requirements.

Goal 13 – Energy Conservation:
The amendments do not 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".

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.

At its November 19, 2025, meeting, MPAC considered and voted to recommend approval by the Metro Council of the amendments 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 amendments at public meetings on September 17 and October 15, 2025, before recommending them to MPAC.

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 do not create new requirements for amendments to local comprehensive plans or land use regulations.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 25-1535, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTERS 3.07 AND 3.09 TO MAKE HOUSEKEEPING UPDATES, MODERNIZE PUBLIC NOTICE METHODS, INCORPORATE PLAIN LANGUAGE BEST PRACTICES, AND IMPLEMENT NEW STATUTORY METRO DISTRICT ANNEXATION REQUIREMENTS

Date: November 17, 2025 Prepared by: Glen Hamburg
Department: Planning, Development & Research Senior Regional Planner

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BACKGROUND

Metro Code chapter 3.07, *the Urban Growth Management Functional Plan (UGMFP)*, has requirements and recommendations for local governments for advancing certain land use related regional goals and policies. Separately, Metro Code chapter 3.09, *Local Government Boundary Changes*, has requirements for changes to various types of boundaries in the region, including annexations to the "Metro boundary", which is the boundary for Metro as a metropolitan service district under state law.

Recent changes to state statute and anticipated changes to state regulations described further below warrant conforming amendments to chapters 3.07 and 3.09. While amending these Metro Code chapters, there is also the opportunity to make minor "housekeeping" amendments that do not create new requirements for cities or counties, but rather:

- Correct typographic errors, outdated citations, and inconsistent terminology, formatting, and referencing;
- Remove provisions that are expired or are now regulated by the state, rather than Metro;
- Apply the Metro Council's 2022 inclusive and plain language policy[1] for improving clarity and accessibility, appropriately addressing all audiences, and removing biases;
- Clarify and reorganize, without substantively changing, other existing requirements to improve readability; and
- Reduce public noticing costs associated with certain Metro processes, including costs paid for by private applicants.

The last package of "housekeeping" amendments to chapter 3.07 was in 2015, while chapter 3.09 has not been amended since 2012.

PROPOSAL

Ordinance 25-1535 would amend Metro Code chapters 3.07 and 3.09, as proposed in Exhibit A to the ordinance, to achieve the following four goals.

1. ***General clean-up:***
   The amendments would correct typographic errors, outdated citations, and inconsistent terminology, formatting, and referencing that should be corrected. They would also: clarify and

[1] Resolution No. 22-5293

better organize, without substantively changing, existing policies; repeal the text of temporary and now expired requirements; and to remove provisions that are redundant because of or in conflict with state regulations/allowances.

2. ***Apply the Metro Council's inclusive and plain language policy:***
When any amendments to a Metro Code chapter are proposed, Metro Council Resolution No. 22-5293 directs staff to review the entire chapter for opportunities to incorporate best practices for use of inclusive and plain language. Examples of best practices include avoiding the words "shall" and "citizen", word-numeral doubles (e.g., "five (5)"), jargon, and archaic terms. Amendments to chapters 3.07 and 3.09 are needed to comply with these best practices.

3. ***Codify forthcoming new state provisions:***
The state is in the process of rulemaking related to Statewide Planning Goal 5 cultural areas. Draft regulations are expected to be considered by the Land Conservation and Development Commission in early December. Those regulations, if adopted, will require Metro to provide direct notice to Tribes of proposed urban growth boundary (UGB) amendments. They would also require Metro to forward information received from Tribes to the Oregon State Historic Preservation Office and to the city/county responsible for comprehensive planning of the UGB expansion area. In anticipation of these regulations being adopted, consideration of prospective conforming amendments to Metro Code chapter 3.07 is warranted.

   A recent change to state law will also eliminate the need for a separate application for annexation to Metro's service district boundary in many instances and, thereby, reduce costs associated with development in Metro's cities. [2] Those statutory changes take effect January 1, 2026. The proposed amendments to chapter 3.09 would conform Metro Code to these changes.

4. ***Modify sign posting and newspaper noticing:***
The ordinance would make additional amendments to chapter 3.09 that, while relatively minor, would further reduce unnecessary costs associated with Metro boundary annexation applications that are not exempted by the statutory changes mentioned above. Specifically, they would repeal existing requirements for printing and posting of plastic annexation public hearing signs, and for publishing of newspaper notices, thereby saving an applicant more than $700, even while continuing to send notices directly to nearby property owners, local governments, and other interested parties and continuing to post hearing notices online. The UGMFP also has newspaper noticing requirements which may no longer be worth the expense, considering that newspaper notices go to a limited audience and the same notices can be posted on Metro's website to be viewed by anyone; the proposed amendments would repeal this newspaper notice requirement and, instead, require publication on Metro's website.

At its meeting on October 15, 2025the Metro Technical Advisory Committee (MTAC) recommended that the Metro Policy Advisory Committee (MPAC) recommend adoption by the Metro Council. MPAC was briefed on the proposed amendments at its October 22, 2025, meeting and is scheduled to consider the amendments further its November 19, 2025, meeting. Metro Staff will inform the Metro Council of MPAC's recommendation.

[2] House Bill (HB) 2356 of the 2024 legislative session amended Oregon Revised Statutes (ORS) 268.354 such that, when a city in Metro annexes territory already in the UGB, that territory is annexed to the Metro boundary without the need for a separate Metro annexation application to be approved before the territory can be urbanized. HB 2356 is not "retroactive"; territories already in city limits must still go through the existing Metro boundary annexation process before they can be urbanized.

ANALYSIS/INFORMATION

Known Opposition: There is no known opposition.

Legal Antecedents:

- Chapter 3.09 was last amended in 2012 by Ordinance No. 12-1276.
- The last package of "housekeeping" amendments to chapter 3.07 was in 2015 with Ordinance No. 15-1357.
- In 2022, the Metro Council adopted Resolution No. 22-5293. The resolution directs staff to use inclusive and plain language best practices when drafting Metro Code language and, when staff seeks Council adoption of a code change for a particular chapter, to review the remainder of that code chapter for opportunities to also incorporate inclusive and plain language best practices.
- Chapter 3.07 was last amended in 2024 by Ordinance No. 24-1523. The ordinance specifically amended Title 6 to require local adoption of boundaries for centers depicted on the 2040 Growth Concept Map, as mandated by state 'Climate Friendly and Equitable Communities' rules.
- House Bill 2356 of the 2024 legislative session amended ORS 268.354. With the amendments, when a city in Metro annexes territory already in the UGB, that territory is annexed to the Metro boundary without the need for a separate Metro annexation application.

Anticipated Effects: This ordinance will amend Metro Code chapters 3.07 and 3.09 as shown in Exhibit A. The amendments would not require cities or counties to make changes to their local land use plans or implementing regulations.

Budget Impacts: There will be no significant budget impacts from this measure. Staff will codify adopted amendments.

RECOMMENDED ACTION

Staff recommends adoption of Ordinance No. 25-1535.

ATTACHMENTS

Attachment 1: Summaries of proposed amendments, by chapter and title

Attachment 2: House Bill 2356 of the 2024 legislative session

Attachment 1

Chapter 3.07 – Title 1, *Housing Capacity*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Remove imprecise references to "regional functional plan requirements", given that there are now two regional functional plans and that chapter 3.07 concerns the requirements and recommendations of the Urban Growth Management Functional Plan (UGMFP) ▪ Standardize capitalizations ▪ Cite titles, chapters, sections, subsections, paragraphs in a manner consistent with Metro Code conventions ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Only abbreviate terms after spelling them out fully in the same title
3.07120(c)	Update a citation from Oregon Revised Statutes (ORS) 197.299 to 197A.350, following renumbering in statute
3.07120(d)	Repeal extraneous wording "*for one or more of the following purposes*"

Attachment 1

Chapter 3.07 – Title 3, *Water Quality and Flood Management*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations and official map names ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Consistently reference Metro's service district and jurisdictional boundary as "*the Metro boundary*" and the Metro Council as "*the Metro Council*" ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Use the term "*implementing ordinance or regulations*", rather than just "*implementing ordinances*", for consistency with other titles ▪ Note in parentheses the ordinance and exhibit that includes other documents adopted by reference (e.g., the *Title 3 Model Ordinance* and the *Metro Water Quality and Flood Management Area Map*), so that they can be more easily located by users of the title ▪ Only abbreviate terms after spelling them out fully in the same title ▪ Correctly note "*section*", "*subsection*", and "*paragraph*" in citations, as relevant
3.07.310	▪ Reference an existing stated intent in Regional Framework Plan (RFP) chapter 4 to maintain watershed health in the region in order to benefit people, fish and wildlife ▪ Use complete sentences
3.07.330(d)	Remove the term "*adopted by the Metro Council*" in reference to the *Metro Water Quality and Flood Management Areas Map*, as that is redundant with the definition in Title 10, *Urban Growth Management Functional Plan Definitions*
3.07.340(d)(2)	Change "*local governments*" to "*cities and counties*" for clarity
Table 3.07-3	▪ Change the symbol "*%*" to the word "*percent*" ▪ Spell out numbers that are less than 10 for consistency with other titles

Attachment 1

Chapter 3.07 – Title 4, *Industrial and Other Employment Areas*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations, as well as the use of hyphens, parentheses, and spacing ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Consistently reference the Title 4 Map as "*the Title 4 Industrial and Other Employment Areas Map*" and the Metro Council as "*the Metro Council*" ▪ Only abbreviate terms after spelling them out fully in the same title ▪ Use numerals for numbers 10 and larger for consistency with other titles
3.07.420, 3.07.430, 3.07.440, and 3.07.450	To improve readability and without changing meaning or existing policy: ▪ Reorganize existing requirements and allowances ▪ Mike minor word choice changes and additions
3.07.450(i) and (j)	After necessary conforming amendments were missed in 2007 with the adoption of Metro Council Ordinance No. 07-1137A: ▪ Properly cite subsection 3.07.450(h) ▪ Move relevant content up to 3.07.450(g)
3.07.450(j)	Make a conforming amendment to move the provision up to 3.07.450(g), after the amendment was missed in 2007 with the adoption of Metro Council Ordinance No. 07-1137A
3.07.450(k)	Relocate an existing requirement related to an annual report on changes to the *Title 4 Industrial and Other Employment Areas Map to* section 3.07.875 so that the requirement is in the same title as the requirements for the associated annual UGMFP compliance report

Attachment 1

Chapter 3.07 – Title 6, *Centers, Corridors, Station Communities and Main Streets*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations, as well as references to the *Title 4 Industrial and Other Employment Areas Map* ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Only abbreviate terms after spelling them out fully in the same title
3.07.610	Rename the section from "*Purpose*" to "*Purpose and Intent*" to be consistent with other titles
3.07.615(e)	Clarify that the relevant functional plan is the Urban Growth Management Functional Plan
3.07.650(a)	Remove an extraneous use of the word "*map*"

Attachment 1

Chapter 3.07 – Title 7, *Housing Choice*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy
3.07.710	▪ Rename the section from "*Intent*" to "*Purpose and Intent*" to be consistent with other titles
3.07.720 and Table 3.07-7	Repeal the outdated section and table, which still identify voluntary affordable housing production goals that were only for the five-year period between 2001 and 2006, but reserve the section number for potential future use
3.07.730	Use the term "*implementing ordinance or regulation changes*", rather than just "*implementing ordinance changes*", for consistency with other titles
3.07.740(b)	▪ Correct a spacing error ▪ Change "*as defined in Metro's form*" to "*as defined on Metro's form*"

Attachment 1

Chapter 3.07 – Title 8, *Compliance Procedures*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations and spacing ▪ Properly identify the relevant functional plan as "*the Urban Growth Management Functional Plan*" (UGMFP), as opposed to the other functional plan, the *Regional Transportation Functional Plan* ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Change "*shall*" and "*shall be*" to "*must*", "*may*", "*will*", or "*is*", as appropriate, and change "*citizen involvement*" to "*public involvement*", consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Consistently reference the Metro Council as "*the Metro Council*"
3.07.810(b) and 3.07.830(d)	Correct minor grammatical errors
3.07.830(b) and 3.07.840(c)	Clarify that extensions granted by Metro's COO are done by COO order, consistent with subsection 3.07.830(d) and 3.07.840(d)
3.07.840(b), (d), and (e), 3.07.850(a), and 3.07.860(c)	Mike minor word choice changes and additions to improve readability, without changing meaning
3.07.850(b)	Provide that notice of Metro Council UGMFP enforcement hearings are posted on Metro's website, rather than in a newspaper
3.07.860(a)	Identify the relevant local governments as cities and counties
3.07.870(a)	Change the due date for the COO's report to the Metro Council on local government compliance with the UGMFP from March 1 to January 31, consistent with current practice and to align with the January 31 due date for the COO's report to the Metro Council on amendments to the *Title 4 Industrial and Other Employment Areas Map*
3.07.875	Relocate an existing requirement related to an annual report on changes to the *Title 4 Industrial and Other Employment Areas Map* from subsection 3.07.450(k) so that the requirement is in the same title as the requirements for the associated annual UGMFP compliance report, and provide consistency in map naming

Attachment 1

Chapter 3.07 – Title 10, *Definitions*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Specify the *relevant functional plan as the "Urban Growth Management Functional Plan"* (UGMFP), as opposed to the other functional plan, the *Regional Transportation Functional Plan* ▪ Standardize capitalizations ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Use numerals for numbers 10 and larger for consistency with other titles ▪ Consistently refer to both ordinances or regulations when addressing implementing land use ordinances and regulations ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Fix instances when "*or*" should, by obvious grammar, actually be "and" (e.g., in definitions of "*Habitat Conservation Area*", "*native vegetation*") ▪ Change the symbol "*%*" to the word "*percent*" ▪ Correctly note "*section*", "*subsection*", and "*paragraph*" in citations, as relevant
3.07.010	Newly define "*Archaeological site*" and "*cultural areas*" as provided in Oregon Administrative Rules 660-023-0210(1) for use in Title 14, *Urban Growth Boundary*
3.07.010	In the existing definitions of: ▪ "*Comprehensive plan*", hyphenate "*all-inclusive*"; ▪ "*Design Type*", clarify that Regionally Significant Industrial Areas (RSIA) are one other Design Type; ▪ "*Growth Concept Map*", recognize that the 2040 Growth Concept Map is a component of the Regional Framework Plan (RFP); ▪ "*Habitat Conservation Area*" and "*HCA*", cite the relevant map; ▪ "*Invasive non-native or noxious vegetation*", cite the specific enactment that adopted the *Metro Native Plant List*; ▪ "*Metro boundary*", use the same definition as in Metro Code chapter 3.09, *Local Government Boundary Changes*; ▪ "*Net acre*", correct a typo by changing "*43.560 square feet*" to "*43,560 square feet*"; ▪ "*Regionally significant fish and wildlife habitat*", cite the relevant map, and property identify significant natural resource sites as "*regionally significant natural resource sites*" for purposes of this definition; ▪ "*Title 3 Wetlands*", cite the relevant map as Exhibit D to Metro Council Ordinance No. 98-730C, and change one instance of "*do*" to "*does*"; ▪ "*Top of bank*", correct a regulatory citation; ▪ "*Urban development value*", change "*property lot or parcel*" to just "*property*", and provide cite relevant maps; ▪ "*Urban growth boundary*" ("*UGB*"), correct a statutory citation; ▪ "*Vacant land*", change one instance of "*the*" to "*a*"; ▪ "Water Quality and Flood Management Area", cite the relevant map

Attachment 1

Chapter 3.07 – Title 11, *Planning for New Urban Areas*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Rather than using terms such as "*this chapter*", "*this title*", "*this section*", etc., identify the specific chapter, title, or section ▪ Standardize capitalizations ▪ Only abbreviate terms after spelling them out fully in the same title ▪ Correctly note "*section*", "*subsection*", and "*paragraph*" in citations, as relevant
3.07.1110(c)	Add a new paragraph (11) codifying an existing expectation that written findings demonstrating how the concept plan satisfies relevant requirements be included in the adopted concept plan itself, rather than in some other document not included in the concept plan
3.07.1110(c)(4)	Remove the extraneous words "*the concept plan will*"
3.07.1110(c)(9)	Clarify that city land use regulations "*intended to comply with subsection (c) of section 3.07.1120*" means city land use regulations "*applying an urban land use plan designation*"
3.07.1110(e)	Update a citation to Oregon Revised Statutes (ORS) chapter 197A
3.07.1120(c)(2)	Clarify that "*necessary service districts*" includes Metro as a metropolitan service district, and that city land use regulations "*intended to comply with this subsection*" means city land use regulations "*applying an urban land use plan designation*"
3.07.1120(d)	Repeal text saying that cities and counties must provide Metro with certain residential capacity determinations within 30 days of adoption of adoption of new land use regulations, given that: the impacts of a land use regulation change on housing capacity would already be addressed and provided to Metro before the change is adopted; the submittal of a separate, post-adoption analysis would be redundant; the reporting requirement has never been enforced; and the state now sets housing capacity targets for cities and counties directly, with its own tracking
3.07.1130(c)	Change "*land division or partition*" to just "*land division*", as a partition is just one type of land division

Attachment 1

Chapter 3.07 – Title 12, *Protection of Residential Neighborhoods*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy
3.07.1210	Cite titles in a manner consistent with Metro Code conventions
3.07.1220	Clarify that the existing restriction on requirements for increasing residential density applies to areas with a 2040 Growth Concept Map Design Type of Neighborhood
3.07.1230	Use the term "*land use ordinance or regulations*", rather than just "*land use regulations*", for consistency with other titles

Attachment 1

Chapter 3.07 – Title 13, *Nature in Neighborhoods*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize capitalizations, use of colons and hyphens, map names, numbering in lists, and spacing ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Use the term "*implementing ordinance or regulations*", rather than just "*implementing ordinances*", for consistency with other titles ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, and do not spell out and also provide the numerals for numbers, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Note in parentheses the ordinance and exhibit that includes other documents adopted by reference (e.g., the *Habitat Conservation Areas Map*), so that they can be more easily located by users of the title ▪ Only abbreviate terms after spelling them out fully in the same title ▪ Correctly note "*subsection*" and "*paragraph*" in citations, as relevant ▪ Consistently reference the relevant functional plan as "*the Urban Growth Management Functional Plan*" ▪ Change the symbol"*%*" to the word "*percent*"
3.07.1310	▪ Rename the section from "*Intent*" to "*Purpose and Intent*" to be consistent with other titles
3.07.1310, 3.07.1320, 3.07.1330(d) and (h), 3.07.1340(b)(2) 3.07.1340(d)(3)	To improve readability and without changing meaning or existing policy: ▪ Remove extraneous wording ▪ Make minor word choice changes and additions
3.07.1330(f) and 3.07.1360(c)(2)	Clarify that the existing policy is for cities and counties to provide notice of proposed amendments at least 35 days prior to the first public hearing (not 45 days), consistent with other titles and state requirements
3.07.1330(h)(3)	Repeal the unnecessary paragraph entirely, because: (A) refers to a table that was removed from Title 1, *Housing Capacity*, but a prior conforming amendment was missed; and (B) has an unclear requirement for cities and counties to report certain information to Metro that is not useful and the requirement is no longer (and may never have been) enforced
3.07.1360(b)(1)(D)	Modify a reference to a biennial reporting requirement that was originally only for a 10-year period between 2006 and 2016, such that the report will be produced when directed by the Metro Council
3.07.1360(c)(1)	Repeal the text of an already-expired requirement for cities and counties to provide biennial reports to Metro for the 10-year period between 2007 and 2017

Attachment 1

3.07.1370	Clarify wording and codify existing policy that Metro, by order of the COO, updates relevant habitat maps after an area as added to the urban growth boundary and before the area is comprehensively planned, and that such maps may be updated by order of the COO in order to reflect changes in 2040 Design Type designations
Table 3.07-13e	Repeal an already-expired table concerning certain local performance and implementation objectives and indicators that were only for the 10-year period between 2005 and 2015

Attachment 1

Chapter 3.07 – Title 14, *Urban Growth Boundary*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the title	▪ Standardize spacing, capitalizations, use of hyphens, and map names ▪ Cite titles, chapters, sections, subsections, and paragraphs in a manner consistent with Metro Code conventions ▪ Only abbreviate terms after spelling them out fully in the same title ▪ Consistently reference Metro's urban growth boundary (UGB) as "*the Metro UGB*", the Metro Council as "*the Metro Council*", and the relevant department as "*the Metro Planning, Development and Research Department*" ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, and do not spell out and also provide the numerals for numbers, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Provide the full name of Metro's "*Six Outcomes, Characteristics of a Successful Region*", consistent with the Regional Framework Plan (RFP), and list them ▪ Correctly note "*subsection*" and "*paragraph*" in citations, as relevant
3.07.1405	Rename the section from "*Purpose*" to "*Purpose and Intent*" to be consistent with other titles
3.07.1425(d) and 3.07.1428(b)	Repeal the text of a now-defunct requirement that the Metro Council consider whether a UGB amendment area is adjacent to a city with an acknowledged housing needs analysis that is coordinated with Metro, as cities: no longer conduct their own housing needs analyses as previously understood; get a housing target and need allocation from the state under the Oregon Housing Needs Analysis program; respond with a Housing Production Strategy and Housing Capacity Analysis; operate on a six-year housing analysis schedule with review done by the state
3.07.1427(a)	Update a citation to Oregon Revised Statutes (ORS) 197A.362(5)
3.07.1427(b) and (k), 3.07.1428(a), 3.07.1430(a), and 3.07.1440(a)	Update citations to ORS 197A.350
3.07.1430(b) and 3.07.1465(a)(2)	Require notices be posted on Metro's website, rather than in a newspaper
3.07.1455 and 3.07.1465	To improve readability and without changing meaning or existing policy: ▪ Reorganize existing requirements and allowances ▪ Make minor word choice changes and additions, and remove extraneous language
3.07.1465(g)	Relocate an existing requirement that the COO provide notice of adopted UGB amendments to a new section 3.07.1475

Attachment 1

3.07.1470	Add a new section: ▪ Proactively codifying anticipated new state requirements for notice to Tribes of hearings on proposed UGB amendments; ▪ Requiring the notice to Tribes include certain pertinent information; ▪ Requiring information received from Tribes to be handled/processed in a manner consistent with the anticipated new state requirements

Attachment 1

Chapter 3.09, *Local Government Boundary Changes*
Summary of Draft Amendments as of November 17, 2025
2025 Metro Code Land Use Minor Amendments

Citation	Summary
Throughout the chapter	▪ Only abbreviate terms after they have been fully spelled out previously in the chapter ▪ Consistently reference Metro's service district and jurisdictional boundary as "*the Metro boundary*", Metro's website as "*Metro's website*", and the Metro Council as "*the Metro Council*" ▪ Cite chapters and sections in a manner consistent with Metro Code conventions ▪ Standardize capitalizations ▪ Change "*shall*" to "*must*", "*may*", or "*will*", as appropriate, consistent with the Metro Council's direction in Resolution No. 22-5293 and without changing existing policy ▪ Use numerals for numbers 10 and larger for consistency with other chapters
3.09.020	Codify the existing definition of the "*Metro boundary*" as the boundary of Metro as a metropolitan service district
3.09.045(E)	Continue to allow a city to annex the entirety of a lot/parcel that is only partially in the urban growth boundary (UGB), and remind that a legal description for the portion in the UGB is required, in order to comply with HB 2356 and annexation filing requirements of the Department of Revenue and the Secretary of State
3.09.070	▪ Repeal requirements in subsection 3.09.070(B) for printing and on-site posting of weatherproof public notice signs, and for newspaper publications of notices, in applications for ▪ Add a new subsection 3.09.070(G) to codify HB 2356, which provides that, when a city annexes a territory under Oregon Revised Statutes chapter 222 and that territory is already within the UGB, the territory is annexed into the Metro boundary without further proceedings (e.g., a separate Metro boundary annexation application)
3.09.090	Repeal the section because it is redundant with state law. Oregon Administrative Rules chapter 660, division 11 already restricts extensions of utility services outside of UGBs, but also provides limited allowances for certain extensions of utility services to areas outside UGBs (e.g., to mitigate a public health hazard). Metro also already does not prohibit cities or districts from establishing new service connections to water or sewer lines that already exist outside the UGB, or extensions of water or sewer lines that already lie outside the UGB, when such connections or extensions are authorized under state law, consistent with standing interpretation.

Attachment 2

83rd OREGON LEGISLATIVE ASSEMBLY--2025 Regular Session

Enrolled
House Bill 2356

Sponsored by Representative MCLAIN; Representative HARTMAN (at the request of Metro Regional Government) (Presession filed.)

CHAPTER .....

AN ACT

Relating to a metropolitan service district boundaries; creating new provisions; and amending ORS 268.354.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 268.

SECTION 2. Notwithstanding the requirements for boundary changes under ORS 268.354 and ORS chapter 198, when a city within the urban growth boundary of a metropolitan service district annexes a territory under ORS chapter 222 and that territory is within the urban growth boundary of the district, the territory is annexed to the district without further proceedings.

SECTION 3. Section 2 of this 2025 Act applies to territories annexed by a city on or after the effective date of this 2025 Act.

SECTION 4. ORS 268.354 is amended to read:

268.354. (1) In addition to the requirements established by ORS chapters 198, 221 and 222 for a boundary change, a metropolitan service district, in consultation with the Metro Policy Advisory Committee, may establish requirements for a boundary change that is subject to the jurisdiction of the district pursuant to ORS 268.347.

(2) For a boundary change that is subject to the jurisdiction of the district pursuant to ORS 268.347, the district shall:

(a) Establish a uniform hearing and notification process.

(b) Establish an expedited process for uncontested boundary changes.

(c) Establish clear and objective criteria for a boundary change.

(d) Ensure that a boundary change is in compliance with the Metro regional framework plan, as defined in ORS 197.015, and cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195.

(3) The role of a metropolitan service district in the boundary determination process shall be ministerial only.

(4) Except as provided in this section and ORS 268.347 and 268.351, for a boundary change subject to the jurisdiction of the metropolitan service district:

(a) Proceedings for annexation of territory to a city and for all other changes in city boundaries shall be conducted as provided in ORS chapter 222.

(b) Proceedings for annexation of territory to a district, and for all other changes to the boundaries of a district, shall be conducted as provided in ORS chapter 198. Notwithstanding ORS 268.020, as used in this paragraph, “district” has the meaning given that term in ORS 268.351.

(c) Proceedings for annexation of territory to the metropolitan service district, including annexation of territory not within the urban growth boundary of the district, and for all other changes to the boundaries of the district shall be conducted as provided in ORS chapter 198.

(d) Notwithstanding contrary provisions regarding the party responsible for conducting hearings under ORS chapter 198, the metropolitan service district is the governing body responsible for conducting proceedings for a minor boundary change to the district. Except for a change to the district boundary by adoption of an urban growth boundary under ORS 268.390 **or annexation under section 2 of this 2025 Act**, proceedings for a minor boundary change to the boundaries of a district shall be conducted as provided in ORS chapter 198.

Passed by House February 20, 2025

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Julie Fahey, Speaker of House

Passed by Senate June 4, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

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Tobias Read, Secretary of State