

## Council meeting agenda

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**Thursday, February 4, 2021**

**2:00 PM**

**<https://zoom.us/j/93558032526> or  
(253)215-8782**

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Please note: To limit the spread of COVID-19, Metro Regional Center is now closed to the public.

This work session will be held electronically. You can join the meeting on your computer or other device by using this link: <https://zoom.us/j/93558032526> or by calling (253) 215-8782.

If you wish to attend the meeting, but do not have the ability to attend by phone or computer, please contact the Legislative Coordinator at least 24 hours before the noticed meeting time by phone at 503-797-1916 or email at [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov).

### **1. Call to Order and Roll Call**

### **2. Public Communication**

Public comment may be submitted in writing and will also be heard by electronic communication (videoconference or telephone). Written comments should be submitted electronically by emailing [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov). Written comments received by noon on the day of 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 503-797-1916 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](mailto:legislativecoordinator@oregonmetro.gov). Those requesting to comment during the meeting can do so by using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov). Individuals will have three minutes to testify unless otherwise stated at the meeting.

### **3. Presentations**

3.1 Affordable Housing Audit presentation [20-5508](#)

Presenter(s): Brian Evans, Metro

Attachments: [Affordable Housing Bond Preparedness Audit](#)  
[Housing Bond Audit Highlights](#)

### **4. Consent Agenda**

- 4.1 Consideration for the Council Meeting Minutes for January 28, 2021

[20-5509](#)

Attachments: [012821](#)

**5. Resolutions**

- 5.1 Resolution No. 20-5146, For the Purpose of Purchasing Property for Future Development of a Metro Recycling and Solid Waste Transfer Center

[RES 20-5146](#)

Presenter(s): Roy Brower, Metro  
Dan Blue, Metro

Attachments: [Resolution No. 20-5146](#)  
[Staff Report](#)  
[Attachment A](#)  
[Attachment B](#)  
[Attachment C](#)  
[Attachment D](#)

- 5.1.1 Public Comment for Resolution No. 20-5146

**6. Ordinances (Second Reading & Vote)**

- 6.1 Ordinance No. 21-1458, For the Purpose of Annexing to the Metro District Boundary Approximately 5.85 Acres Located at 10680 SW Clutter Street in Wilsonville

[ORD 21-1458](#)

Presenter(s): Tim O' Brien, Metro

Attachments: [Ordinance. No. 21-1458](#)  
[Exhibit A](#)  
[Staff Report](#)  
[Attachment 1](#)

- 6.2 Ordinance No. 21-1459, For the Purpose of Annexing to the Metro District Boundary Approximately 0.357 Acres Which Represents the Street Right-of-Way Portion for Property Located at 15455 SW Finis Lane in Tigard.

[ORD 21-1459](#)

Presenter(s): Tim O' Brien, Metro

Attachments: [Ordinance No. 21-1459](#)  
[Exhibit A](#)  
[Staff Report](#)  
[Attachment 1](#)

7. Chief Operating Officer Communication
8. Councilor Communication
9. Adjourn

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Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1700 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

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尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1700（工作日上午8點至下午5點），以便我們滿足您的要求。

### Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullanka dadweynaha, wac 503-797-1700 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmaha shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬស្នើសុំទទួលបានកាតបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

### إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

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<b>Clackamas, Multnomah and Washington counties, and Vancouver, WA</b> Channel 30 – Community Access Network <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a> <i>Ph:</i> 503-629-8534 Call or visit web site for program times.	<b>Portland</b> Channel 30 – Portland Community Media <i>Web site:</i> <a href="http://www.pcmtv.org">www.pcmtv.org</a> <i>Ph:</i> 503-288-1515 Call or visit web site for program times.
<b>Gresham</b> Channel 30 - MCTV <i>Web site:</i> <a href="http://www.metroeast.org">www.metroeast.org</a> <i>Ph:</i> 503-491-7636 Call or visit web site for program times.	<b>Washington County and West Linn</b> Channel 30– TVC TV <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a> <i>Ph:</i> 503-629-8534 Call or visit web site for program times.
<b>Oregon City and Gladstone</b> Channel 28 – Willamette Falls Television <i>Web site:</i> <a href="http://www.wftvmedia.org/">http://www.wftvmedia.org/</a> <i>Ph:</i> 503-650-0275 Call or visit web site for program times.	

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

Agenda Item No. 3.1

**Affordable Housing Bond Audit**

*Presentation*

Metro Council Meeting  
Thursday, February 4, 2021



# Affordable Housing Bond Preparedness:

*Develop clear and consistent guidance to improve bond operations*

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January 2021

A Report by the Office of the Auditor

**Brian Evans**

*Metro Auditor*

**Simone Rede**

*Principal Management Auditor*

**Nicole Pexton**

*Senior Management Auditor*

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*To make a report, choose either of the following methods:*

**Dial 888-299-5460 (toll free in the U.S. and Canada)**

**File an online report at [www.metroaccountability.org](http://www.metroaccountability.org)**



**Brian Evans**

**Metro Auditor**

600 NE Grand Ave

Portland, OR 97232-2736

TEL 503 797 1892, FAX 503 797 1831

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## MEMORANDUM

Date: January 27, 2021

To: Lynn Peterson, Council President  
Shirley Craddick, Councilor, District 1  
Christine Lewis, Councilor, District 2  
Gerritt Rosenthal, Councilor, District 3  
Juan Carlos Gonzalez, Councilor, District 4  
Mary Nolan, Councilor, District 5  
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor

**Re: Audit of Metro's Affordable Housing Bond Program**

This report covers the audit of the Affordable Housing Bond Program. The purpose was to assess Metro's preparedness to implement the bond measure, so that course corrections could be made early in implementation.

The audit found that additional guidance was needed to ensure fair consideration of program funding requests, establish clear standards for reporting on program outcomes, and support continuous improvements in program operations. It was hard to tell if the methods outlined in the bond's work plan were used to evaluate projects. Another weakness was lack of clarity about how changes to approved projects would be managed.

Unclear procedures also created uncertainty about project and program reporting. Gaps in project reporting impacted the data available to assess some program outcomes. As a result, the community oversight committee did not have the information necessary to monitor progress for some of the promises made in the bond.

The audit also identified opportunities to improve workload and budget management. Documenting how responsibilities are assigned between departments may prevent gaps or duplication.

We have discussed our findings and recommendations with Marissa Madrigal, COO; Elissa Gertler, Planning and Development Director; Megan Gibb, Land Use and Urban Development Manager; and Emily Lieb, Housing Bond Program Manager. A formal follow-up to this audit will be scheduled within five years. We would like to acknowledge and thank all of the employees who assisted us in completing this audit.

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## Summary

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Voters approved a \$652.8 million general obligation bond measure in November 2018. The goal was to create 3,900 affordable units over five to seven years. Seven jurisdictions were eligible to receive bond funding. This audit assessed Metro's preparedness to implement the bond measure, so that course corrections could be made early in implementation.

We found Metro initially focused on helping jurisdictions complete their implementation strategies and intergovernmental agreements. Because staff dedicated their time to helping jurisdictions, some internal procedures had not been developed.

Completing a procedures manual was important because it was supposed to guide staff and program partners in the next stage of program implementation. Additional guidance was needed to ensure fair consideration of program funding requests, establish clear standards for reporting on program outcomes, and support continuous improvements in program operations.

It was hard to tell if the methods outlined in the bond's work plan were used to evaluate projects. Using different methods could make funding decisions less reliable and more difficult to defend. Another weakness was lack of clarity about how changes to approved projects would be managed. Our previous audits showed examples where projects continued to receive funding, despite being completed in ways that differed from their original approved proposals.

Unclear procedures also created uncertainty about project and program reporting. The report templates Metro developed had weaknesses that would make performance measurement challenging. Reporting about each project would allow program performance to be measured and reduce the chances of providing inaccurate information about bond results.

Gaps in project reporting impacted the data available to assess some program outcomes. As a result, the bond's community oversight committee did not have the information necessary to monitor progress for some of the promises made in the bond. Metrics were available to measure some of what was listed for two out of the four outcomes, but the other two (lead with racial equity and create opportunity throughout the region) had more significant gaps.

We also identified opportunities to improve workload and budget management. Documenting how responsibilities are assigned between departments may prevent gaps or duplication. Improving the accuracy and transparency of the budget could lead to more efficient use of limited administrative resources.

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## Background

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In recent years, the Metro region has faced a shortage of affordable housing for households with low income. Housing is considered affordable if households spend less than 30 percent of their income on it. Metro estimated a gap of 47,000 affordable housing units for low-income households in 2018.

Metro's early experience in affordable housing included the Equitable Housing Initiative in 2015. Launched by Metro Council, the purpose of this initiative was to identify solutions to the region's shortage of affordable housing. The initiative engaged stakeholders to share best practices, resulting in a report that recommended additional sources of local funding for affordable housing.

The Transit-Oriented Development (TOD) program also gave Metro experience in funding affordable housing. TOD sought to promote high-density, mixed-use development near public transit. A new program strategy was released in 2017 that included building affordable housing in areas with high housing costs. Metro reported that the program had supported construction of approximately 1,300 affordable units as of 2019.

Planning for a regional affordable housing bond (bond program) started with gathering stakeholder input. Metro engaged community members and practitioners to help develop the overall structure and purpose of the bond. These efforts resulted in the bond framework, which stated the overall goal of creating 3,900 affordable units over five to seven years. The bond measure based on this framework was referred to voters in June 2018. It established four outcomes for the bond program:

- Lead with racial equity
- Create opportunity for those in need
- Create opportunity throughout the region
- Ensure long-term benefits and good use of public dollars

Voters passed a \$652.8 million general obligation bond measure based on the framework in November 2018. Bond funds were targeted to households making less than 60 percent of area median income (AMI), or \$55,260 for a family of four in 2020. Most of the bond funding would go to cities and county housing authorities, who would work with developers to build units. Metro's role included authorizing funding for projects and purchasing sites for the jurisdictions to use for development. The measure required independent community oversight to review bond expenditures and provide annual reports. It also capped administrative costs at five percent of total bond proceeds.

After the measure passed, Metro began setting up the bond program. Metro Council adopted a bond work plan, which served as the governing document for implementation. The work plan also established the bond's unit production goals. There were targets for deeply affordable units (for households earning 30 percent of AMI or below) and family-sized units (2 or more bedrooms).

## Exhibit 1 Housing bond work plan included goals for deeply affordable and family-sized units

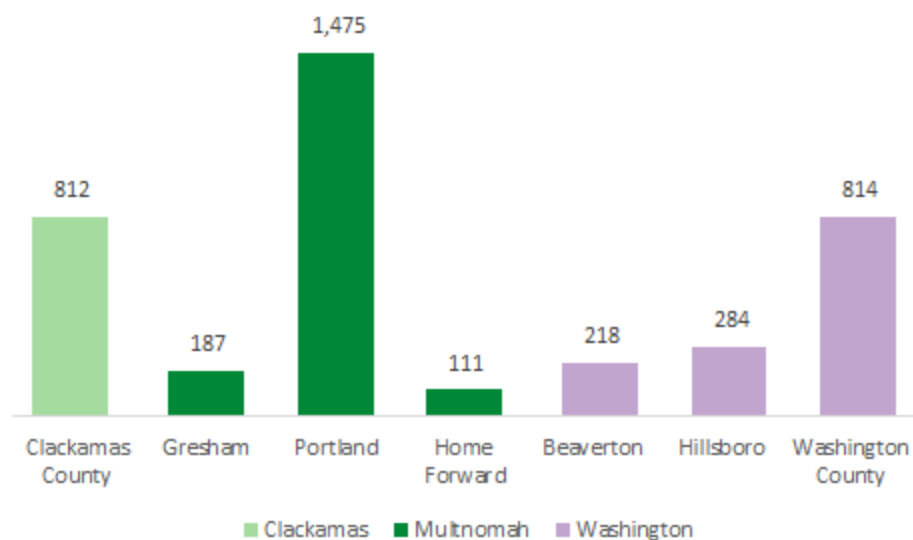
Deeply affordable units	Family-sized units
1,600	1,950

Source: *Affordable Housing Bond Work Plan*

The housing bond funds could be used for three types of development. Local jurisdictions could construct new affordable housing units, acquire and convert existing market-rate units, or add units to existing affordable housing properties. New construction or acquisition projects were required to stay affordable for at least 60 years. Conversion projects that were more than 10 years old were required to stay affordable for at least 30 years.

Seven jurisdictions were eligible to receive bond funding. These jurisdictions included four cities (Beaverton, Gresham, Hillsboro, and Portland) and two counties (Clackamas and Washington). Home Forward—Multnomah County’s housing authority—would develop housing in the cities east of Gresham. Each jurisdiction was expected to obtain additional sources of funding to develop housing, such as tax credits or loans.

## Exhibit 2 Housing unit goals for seven eligible jurisdictions



Source: *Auditor’s Office analysis of Affordable Housing Bond Work Plan*

Metro also set aside 10 percent of bond funds (\$63 million) for the Site Acquisition Program (SAP). Through SAP, Metro would purchase an estimated 1-3 sites in each jurisdiction. These sites would help each jurisdiction reach their unit production goals. Metro would also be involved in developing properties on these sites. In October 2019, the bond work plan was amended to allow SAP funds to be used on sites owned by Metro—including sites already acquired by the TOD program.





Before receiving bond funds, the seven jurisdictions and Metro had to develop implementation strategies. Those strategies were required to include a:

- Development plan for achieving unit production targets
- Strategy for advancing racial equity
- Description of the community engagement conducted to inform the strategy
- Plan for ongoing community engagement to inform project development

The bond's community oversight committee was responsible for reviewing each strategy. Once the committee recommended a strategy for approval, it was attached to an intergovernmental agreement (IGA). The IGA received approval from the jurisdiction's governing body and Metro Council.

As of July 1, 2020, five out of seven IGAs were approved, and jurisdictions had started to submit projects for funding. Metro had approved concepts for a total of four projects in four jurisdictions. Three jurisdictions were reviewing potential projects proposed by developers.

### Exhibit 3 Concepts for four local projects were approved in 2019

	<p><b>City of Beaverton: The Mary Ann</b>  54 units  Estimated total cost: \$22 million  Metro bond funds: \$3 million  Anticipated opening: Spring 2021</p>
	<p><b>Clackamas County: 18000 Webster Road</b>  45 units  Estimated total cost: \$10.8 million  Metro bond funds: \$6.9 million  Anticipated opening: Winter 2021</p>
	<p><b>Home Forward: Dekum Court</b>  160 units  Estimated total cost: \$66.6 million  Metro bond funds: \$22.9 million  Anticipated opening: 2022-2023</p>
	<p><b>Washington County: 72<sup>nd</sup> and Baylor</b>  81 units  Estimated total cost: \$32.9 million  Metro bond funds: \$11.6 million  Anticipated opening: Fall 2021</p>

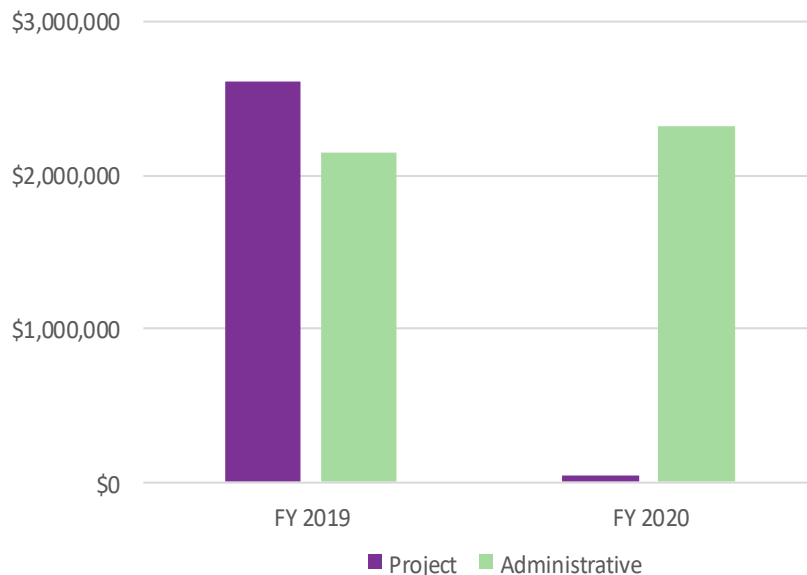
Source: Metro's website

Several Metro departments have been involved in bond implementation. Staff from Planning and Development made up the core bond team. They worked closely with local jurisdictions to set up the bond program and provided assistance in developing implementation strategies. Planning staff were also responsible for finding and acquiring SAP sites and staffing the oversight committee.

Office of Metro Attorney staff were involved in negotiating IGAs and ensuring the oversight committee follows public meeting laws. Communications staff were responsible for community engagement and developing written materials. Finance and Regulatory Services staff develop expenditure reports and disburse funding.

As of June 30, 2020, about one percent of bond proceeds (\$7.1 million) had been spent. The majority of expenditures (63%) were for administrative costs. Those costs included staffing, consulting, and due diligence for Metro and the other seven jurisdictions. They also included \$1.87 million in one-time costs Metro paid to issue the bonds in 2019. Clackamas County was the only jurisdiction that had received funding to develop a project.

#### **Exhibit 4    Bond expenditures for Fiscal Year (FY) 2019 and FY 2020**



*Source: Auditor's Office analysis of PeopleSoft data*

Like our previous audits of bonds and levies, this audit took an early look at Metro's preparedness to implement the bond measure, so that course corrections could be made early in bond implementation. We issued a separate letter to management summarizing weaknesses in controls related to guidance for administrative costs and the conflict of interest disclosure process for the oversight committee in August 2020.

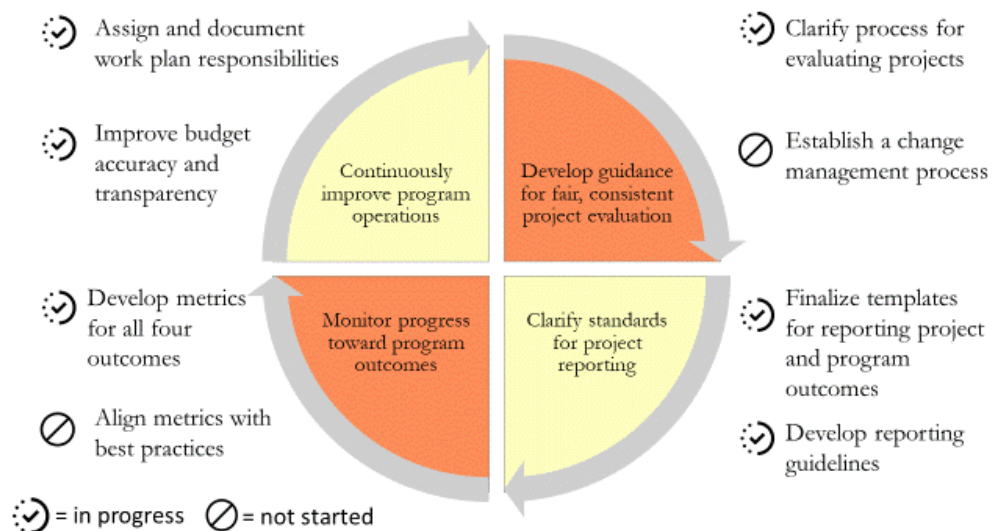
## Results

Metro prioritized building relationships with jurisdictions over developing procedures to implement the bond. Some procedures were in place. However, they were not fully established to support fair consideration of program funding requests, clear standards for reporting on program outcomes, and continuous improvements in program operations. We found:

- Processes for evaluating and approving changes to projects had not been clearly established
- Project reporting templates and guidance were not fully developed
- Metrics did not completely measure program outcomes and were inconsistent with best practices
- Opportunities to improve workload and budget management

Metro initially focused on helping jurisdictions complete their implementation strategies and IGAs. Jurisdictions needed to enter into an IGA to receive funding. Although all implementation strategies had been reviewed, one IGA had not been finalized as of December 2020. We were told Metro Council was scheduled to approve the final IGA in January 2021. Because staff dedicated their time to helping jurisdictions, some internal procedures had not been developed.

### Exhibit 5 Housing bond implementation was in progress, but some gaps remained



Source: Auditor's Office analysis

## Develop guidance for fair and consistent consideration of projects

The amended work plan Metro Council adopted in October 2019 was considered the bond's governing document for program implementation. The work plan stated that Metro would maintain a procedures manual. During the audit, Planning and Development provided various guiding documents. Those documents showed more work was needed to build out internal procedures.

Completing the procedures manual was important because it was supposed to guide staff and program partners in the next stage of program implementation. As the program moves from planning to projects to outcomes, additional guidance and criteria was needed for:

- Evaluating projects
- Managing changes to approved projects
- Project reporting

The work plan stated that after local implementation strategies were reviewed and approved, Metro's Chief Operating Officer (COO) would approve funding commitments for qualified projects at two stages:

- 1) Concept endorsement
- 2) Final approval

We reviewed a sample of affordable housing projects to see how they were approved. Most of the bond-funded projects in our sample varied from the process outlined in the work plan. Preliminary funding commitments for some projects were approved by Metro Council, instead of the Metro COO, at concept endorsement. Each jurisdiction was given the opportunity to advance one project using this approval process. However, not following the work plan reduced consistency in what was considered when projects were approved.

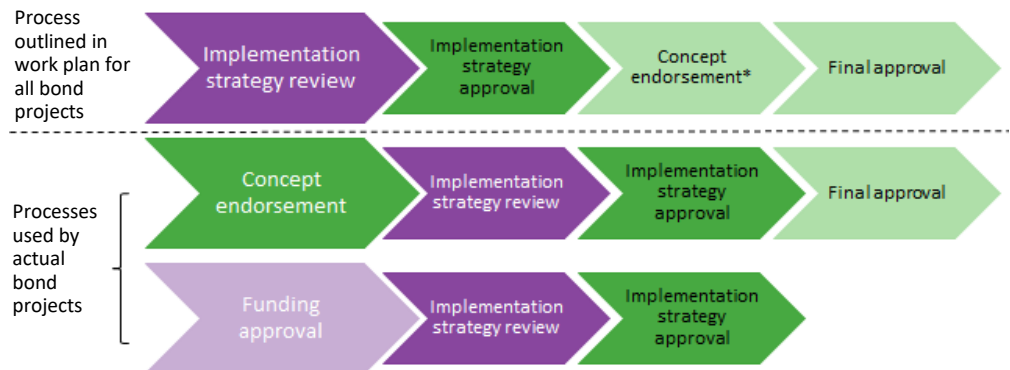
Another project was approved using a third process. That project was approved by the TOD steering committee using criteria from the TOD work plan. It was unclear if the project would be subject to the approval process described in the bond work plan or should have followed the alternative process where Metro Council approved projects directly. Management stated that bond funding for this project would go through the same approval process as other bond projects.

Only involving the TOD steering committee could reduce the level of community input in project approval because its members were not required to have experience working with impacted communities. Approving a project based on TOD criteria alone could prioritize characteristics that support TOD program objectives over bond program objectives. For example, a project's connection to transit could be given more consideration than its contribution of units in areas where affordable housing has been lacking.

All of those commitments were approved before implementation strategies

were reviewed and approved by Council. That meant plans for ongoing implementation and monitoring were not fully developed before funding commitments were made. This increased the chances that implemented projects would not be aligned with program outcomes.

## Exhibit 6 Paths to funding approval differed from the work plan



Source: Auditor's Office analysis of supporting documents

Some preliminary funding commitments were not approved according to the work plan because there was pressure to develop projects quickly. The initial housing bond framework expressed the need for affordable homes to be created as soon as possible. During this audit, we heard about a risk that the public could perceive that bond progress was moving slowly.

Pressure to provide affordable homes quickly also resulted in new plans for funding approval. During an oversight committee meeting, we learned of plans to provide concept endorsement and final approval for a project at the same time. This accelerated process was not outlined in the work plan.

## Develop processes for evaluating and approving projects

Allowing projects to move forward in different ways reduced the incentive to establish guidance for staff to evaluate projects. The work plan stated that, prior to COO approval, staff evaluation of projects would be based on the project's:

- planned contribution of units relative to funding requested; and
- consistency with the implementation strategy, bond measure, and work plan.

It was hard to tell if the methods outlined in the work plan were used to evaluate projects. Using different methods could make decisions less reliable and more difficult to defend. We reviewed notes for two project evaluations. In one case, we could not tell how participants reached their conclusion

about the relationship of planned units to funding requested. In another case, the amount of units relative to funding did not appear to be evaluated. One stated that the review was focused on outcomes for advancing racial equity and community engagement, in addition to planned units relative to funding requested. Another identified consistency with bond requirements and the implementation strategy as criteria.

The meeting notes listed various benefits and risks of projects. However, they did not appear to be identified by the same criteria. For example, both project locations were deemed good for family housing. In one case, the conclusion was supported by safety and proximity to schools and new development. In another, proximity to a high school, library, light rail, and recreation were considered.

More clarity was needed to implement the two project evaluation criteria in the work plan. The first asked staff to analyze the cost-effectiveness of bond funding. A method to calculate the ratio was not provided. A threshold would also be needed to interpret and consistently evaluate it across projects. The projects' share of funding committed and units planned was tracked for each jurisdiction, but those percentages were not consistently used to evaluate projects.

The second criterion asked staff to compare projects to the implementation strategy, bond measure, and work plan. A checklist for staff evaluation of projects contained some references to the implementation strategy. But, the requirements to use the bond measure and work plan as part of the review were not listed.

If more specific guidance were available, it would increase consistency and may also speed up project reviews. It could also be used if questions arose about what information was used to make funding decisions. This would be especially valuable if a project was not approved for funding.

Underdeveloped guidance to evaluate funding requests also reduced clarity about which or how many staff should evaluate projects. As a result, the level and variety of Metro personnel involved in those reviews varied. On one occasion, six staff participated. On another occasion, three staff and one manager participated.

The work plan indicated that staff would consult members of the oversight committee as needed to advise on projects. It did not state the purpose of including committee members in project evaluation. This detail caused confusion about the extent of the committee's role because project approval was considered to be outside of the committee's authority. It was unclear to some members why and for how long the committee should be involved in reviewing projects.

The oversight committee was not required to review bond projects, so staff asked for volunteers to participate. This resulted in limited participation.

Documentation showed that committee members were consulted to advise on two bond projects in our sample. On each occasion, a different pair of committee members participated from a pool of up to 13.

## Exhibit 7 Participation varied in bond project reviews prior to concept endorsement



Source: Auditor's Office analysis of supporting documents

### A change management process had not been established

Another weakness we found was lack of clarity about how changes to approved projects would be managed. Our other audits have found unclear processes for determining when changes to projects need approval. Those audits also found projects continued to receive funding, despite being completed in ways that differed from their original approved proposals.

The supportive housing services measure approved by voters in May 2020 presented opportunities to integrate new funding into bond projects. Doing so could help jurisdictions meet their goals for deeply affordable units. Metro asked participating jurisdictions to add plans for using supportive housing funds to their implementation strategies. Guidance from Metro stated that additions would be reviewed by staff and the oversight committee.

The agency recognized that approved projects would likely be modified as a result of funding integration. It also anticipated other changes to bond projects after approval. However, a process had not been established to respond to them.

When we asked how changes to approved bond projects would be handled, we were told how changes to approved TOD projects were handled. That process involved staff review and evaluation by the TOD steering committee, depending on the significance of changes. While having experience handling changes to TOD projects could be helpful, changes to bond projects would need to be assessed against a different set of objectives.

Establishing a process to review changes to bond projects after they have received funding approval could increase efficiency and consistency in decision-making. Changes to the work plan and local and regional implementation strategies required Metro Council approval.

## Consistent project reporting needed to track program outcomes

Unclear procedures also created uncertainty about project and program reporting. The work plan indicated that metrics, protocol, and templates would be developed for participating jurisdictions to submit post-construction and post-occupancy reports, as well as annual progress and financial reports. Some of those report templates were complete. But others were still being drafted.

Reporting about each project would allow program performance to be measured. The report templates Metro developed had weaknesses that would make performance measurement challenging. Some were in draft form. This meant that information was subject to change. Others were optional. This meant that information may not be provided.

Inconsistent or incomplete data are difficult to analyze and use to identify trends. For example, open-ended questions generate unique answers, which can be challenging to interpret and summarize. Gathering different information from year to year would be hard to track over time. Having information about some projects and not others would also make it hard to compare from project to project.

Metro lacked experience reporting performance of affordable housing projects. This made it more difficult to develop reporting guidelines. The agency relied on an outside evaluator to report the performance of completed TOD projects. This limited the institutional knowledge of information needed to report bond project performance.

Although the work plan required annual progress reports from participating jurisdictions, Metro did not require those reports during the first two years of the program. As a result, the oversight committee did not get to review them for over a year and a half since funding for the first project was approved.

Underdeveloped reporting guidelines also raised the chances of providing inaccurate information about bond results. Metro included a project not funded by the bond in a recent newsletter to interested stakeholders titled “Affordable housing bond program groundbreaking celebrations.” Including the project—Argyle Gardens—could give the impression that it was funded by the housing bond. This would mean that Metro had overstated the bond’s progress by 72 units.

Potential overlaps between the SAP component of the bond and Metro’s other programs also reduced clarity for reporting results. One of the projects in our sample included funding from TOD and SAP. It was unclear if the project would be reported to the oversight committee. Improperly attributing the project had the potential to confuse stakeholders about program accomplishments and could result in double counting. This risk may apply to other areas of Metro as well, since the work plan allowed bond funds to be used on any suitable Metro-owned site—not just properties that had been acquired by Metro’s TOD program.

## Monitor progress toward program outcomes

Gaps in project reporting impacted the data available to assess some program outcomes. As a result, the oversight committee did not have the information necessary to monitor progress for some of the promises made in the bond. The oversight committee was charged with two monitoring duties:

- Monitor financial aspects of program administration, including review of program expenditures
- Provide an annual report and presentation to Metro Council assessing program performance, challenges, and outcomes

Committee members did not receive sufficient expenditure information during their first year of service. Only one program expenditure report had been provided to the committee. It summarized bond revenue and expenditures through March 2020.

The annual program performance report had also not been completed. Instead of the required report, staff presented a program update to Council at a work session. Because project reporting was not yet available, the first written annual report was scheduled for spring 2021. However, delaying that report prevented the public from understanding Metro's efforts to start up the bond.

While an annual report had not been provided, Metro had still collected a variety of metrics on housing bond projects. We analyzed over 150 potential metrics to determine whether they aligned with best practices and contained the information necessary to measure progress toward program outcomes. Our analysis included metrics from staff reports provided to Metro Council as of July 30, 2020. Those reports included plans for measuring program outcomes. We also analyzed planned metrics that jurisdictions will provide once housing units are developed.

We identified performance measurement best practices that would help Metro design effective metrics. Those practices include ensuring that metrics provide relevant information that is helpful for decision making. Metrics should also be accurate, verifiable, and easy to access, use, and understand. Finally, effective metrics provide a target or benchmark to show whether performance is meeting or exceeding expectations.




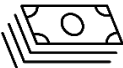
The metrics we analyzed were not consistent with best practices. We compared a subset of 20 metrics to best practices. Few of them included benchmarks or targets. Multiple metrics also had unclear definitions and methodologies. For example, one measure was proximity of housing units to employment centers. It was not clear what the definition of an employment center was, or how the proximity of a housing unit to an employment center would be measured. The apparent intent was to measure whether housing was located close to high-quality jobs, so those definitions will have an impact on the lives of future occupants.

We also found the metrics would not measure progress toward the four outcomes in the bond work plan. Those outcomes included:

- Lead with racial equity
- Create opportunity throughout the region
- Create opportunity for those in need
- Ensure long-term benefits and good use of public dollars

Metrics were available to measure most of what was listed for two out of the four outcomes. For example, metrics were available to measure the number of deeply affordable and family-sized units, which would help measure whether the bond is creating opportunity for those in need. We also saw metrics on the percentage of the administrative cost cap spent, which would measure progress toward ensuring good use of public dollars. The remaining two outcomes had more significant gaps.

## Exhibit 9 All four program outcomes had performance measure gaps

Program outcome	Performance measure gaps
<p>Lead with racial equity</p> 	<ul style="list-style-type: none"> <li>• Create homes where communities of color live to prevent future displacement</li> <li>• Create homes in neighborhoods that have been historically inaccessible for communities of color</li> </ul>
<p>Create opportunity throughout the region</p> 	<ul style="list-style-type: none"> <li>• Prevent displacement in changing neighborhoods</li> <li>• Expand affordable housing options in neighborhoods that have not historically included sufficient supply</li> <li>• Units per county</li> </ul>
<p>Create opportunity for those in need</p> 	<ul style="list-style-type: none"> <li>• Number of households with members of priority populations: <ul style="list-style-type: none"> <li>◦ Communities of color</li> <li>◦ Families with children and multiple generations</li> <li>◦ Seniors</li> <li>◦ Veterans</li> </ul> </li> <li>• Households who are experiencing or are at risk of homelessness</li> <li>• Households occupying units that were at risk of displacement</li> </ul>
<p>Ensure long term benefits and good use of public dollars</p> 	<ul style="list-style-type: none"> <li>• Access to timely expenditure data</li> <li>• High-quality homes</li> </ul>

*Source: Auditor's Office analysis of work plan, program outcomes and expenditure reports, and project reporting templates*

## Jurisdictions were not required to measure some racial equity outcomes

Metro also encountered challenges in measuring progress toward leading with racial equity. The purpose of leading with racial equity was to increase access to affordable housing for communities of color and prevent negative outcomes from happening again. Studies have shown communities of color have disproportionately experienced the impact of rising rents and displacement from previous public investments.

The bond framework listed measurable outcomes for leading with racial equity, including:

- Creating homes where communities of color live today to prevent further displacement
- Creating homes in neighborhoods historically inaccessible to communities of color

Metro did not require the jurisdictions to measure these outcomes. The metrics we reviewed focused on the development process rather than outcomes. Contracting and workforce diversity metrics were one area of emphasis. Metro and the oversight committee encouraged the jurisdictions to set goals for the percentage of development contracts awarded to minority-owned, women-owned, and emerging small businesses. Goals for increasing the number of hours worked by women and people of color were also encouraged, but not required.

Other proposed metrics would measure efforts to market and rent housing units to diverse communities. Marketing metrics included the number of referrals to units made by culturally-specific and other community-based organizations. There were also metrics about rental application outcomes. Those metrics included the number of applications that were screened and the reasons why applications were denied.

Although these metrics were important, they did not measure how bond-funded units would result in neighborhood-level changes for communities of color. It could be challenging to develop metrics that show whether housing bond projects prevent displacement or allow communities of color to live in previously inaccessible neighborhoods. However, it will be difficult to make progress on these priorities if jurisdictions are not required to report on them. Even if imperfect, analyzing these neighborhood-level metrics would help prevent the program from perpetuating the same negative impacts that leading with racial equity was designed to prevent.

## Continuously improve workload and budget management

To ensure good use of public dollars, the bond measure limited administrative costs to five percent of total expenditures. Management expressed concerns about maintaining administrative costs within the five percent cap. Due to those concerns, they limited the number of employees who worked on the bond. We heard the idea was to start with a small team and add staff as necessary. The initial budget request in 2019 dedicated four full-time equivalent (FTE) employees to the bond, and the team grew to 7.7 FTE in FY 2020-21.

This small team juggled multiple tasks, but it was difficult to determine whether responsibilities we identified from the bond work plan were clearly assigned as of March 2020. Metro’s bond administration responsibilities could be divided into three categories:

- **Operations**—Providing funding approvals, maintaining a program procedures manual, and staffing the oversight committee.
- **Reporting**—Developing reporting templates and protocol, collecting project-level data, and providing performance information to the oversight committee.
- **Compliance**—Monitoring housing affordability requirements, ensuring funds are used on capital development, and maintaining expenses within the administrative cost cap.

It was difficult to identify how those responsibilities were distributed among the housing bond team. According to interviews with management and staff, many responsibilities appeared to be assigned to two employees. For other employees, it was more difficult to determine which responsibilities they were working on. There also appeared to be some compliance responsibilities that were not assigned to anyone.

## Exhibit 10 High workload of two employees may result in delays



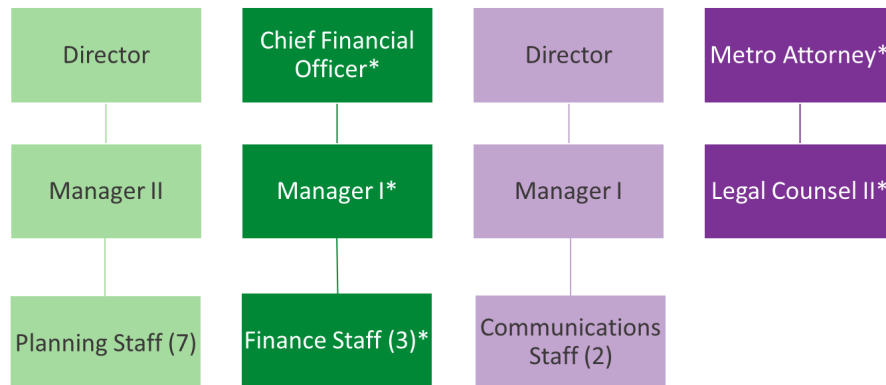
*Source: Auditor’s Office analysis of Affordable Housing Bond Work Plan and interviews*

Some responsibilities also conflicted with one another, which would make assigning them to a small team more challenging. For example, if an individual was involved in selecting developers for an SAP project, then that same individual should not influence funding approval for that project.

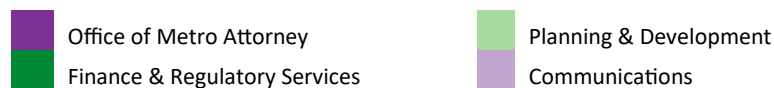
If responsibilities are not clearly assigned, then they may not be completed. In addition, if employee workload is too high, then there may be delays in crucial bond activities. We heard early signs that staff were reaching the limits of their capacity. For example, in implementation guidance, Metro stated they would issue concept endorsements within 30 days, or 45 days if a jurisdiction submitted more than four projects at once. The team struggled to meet this 30-day timeline when multiple jurisdictions submitted projects at the same time.

There was limited documentation available to clarify the assignment of responsibilities. Because there was pressure to develop housing quickly, management and staff focused their attention on preparing local jurisdictions for implementation. We heard that developing an organizational chart and setting up internal processes were considered lower priority.

## Exhibit 11 Housing bond organizational structure spanned four departments



\*Not included in housing bond budget



Source: Auditor-generated, based on housing bond FY 2021 budget and interviews

Documenting how responsibilities are assigned between departments may prevent gaps or duplication. The housing bond's team structure spanned four departments: Planning and Development, Finance and Regulatory Services, Communications, and the Office of Metro Attorney. We compiled a list of 18 people (five managers, 13 staff) who were reported as housing bond team members. While we were informed that the managers met with one another regularly, they did not appear to coordinate assignment of responsibilities across departments.

Written documentation of responsibilities may also help management redistribute the workload in response to external changes. For example, Metro may need to coordinate the housing bond with the 2020 supportive

housing measure that provides funding for rent assistance and supportive services. Having a clear, accurate sense of workload would help management figure out which employees are available to take on additional responsibilities.

## **Budget accuracy and transparency could be improved**

Metro developed its budget for bond administration with limited information. The regional structure of Metro's bond distinguished it from other state or local affordable housing bonds, like the City of Portland's 2016 bond. Because of this unique structure, Metro did not have many examples to draw from to develop a budget for administrative costs. We also heard the bond's financial modeling did not analyze what it would cost to administer the bond.

To limit administrative costs, Metro took a conservative approach to managing staff time, which resulted in some inaccuracies. Employees were directed to charge the same percentage of their time to the bond each pay period. This practice of hard-coding time increased the risk of not tracking employee time accurately. It also meant that the personnel budget did not match the workload. Some employees were budgeted for more time than they appeared to work. In contrast, others completed work for the bond but were not included in the budget. The result was that Metro did not have an accurate estimate of how much it costs to staff bond administration.

Creating a transparent long-term budget could help the oversight committee evaluate Metro's stewardship of bond resources. Financial reporting to the committee thus far has contained only actual expenditures and progress toward the administrative cost cap. Budget monitoring best practices include comparing actual expenditures to the budget. Not having Metro's budgeted expenditures makes evaluating financial performance more challenging. Creating more detailed financial reports, similar to what other Metro bond programs produce, could help. Providing those reports to the oversight committee would also hold Metro accountable to creating more realistic annual budget estimates.

Improving the accuracy and transparency of the budget could also lead to more efficient use of limited administrative resources. Some of those resources have already been allocated to employees who may not have been contributing to bond work plan responsibilities. One of the program outcomes is to ensure long-term benefits and good use of public resources. Developing a long-term budget could help fulfill that outcome. It would help Metro forecast how to use its administrative resources through the life of the bond.

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## Recommendations

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To support fair and consistent consideration of bond program funding requests, Metro management and staff should:

1. Clarify and use procedures for evaluating requests and proposed changes to approved projects, including the use of Site Acquisition Program funds on sites owned by Metro
2. Communicate procedures to staff, the community oversight committee, and participating jurisdictions

To provide timely and complete information to monitor bond progress, Planning and Development management and staff should:

3. Complete and use guidance for reporting on project and program outcomes, including:
  - a. Annual progress and financial report templates
  - b. Processes for reporting information to the community oversight committee, including sites acquired for the Site Acquisition Program
  - c. Metrics to address gaps in program outcomes, including the impact of housing units on neighborhood-level changes for communities of color
  - d. Targets for all metrics to assess whether performance meets expectations
  - e. Protocol to ensure reliable performance information is provided for each metric
4. Communicate guidance to staff, the community oversight committee, and participating jurisdictions

To support continuous improvements in bond operations, Metro management and staff should:

5. Evaluate and assign bond administration responsibilities to balance workloads
6. Increase the accuracy and transparency of the bond administration budget by:
  - a. Developing a long-term budget for bond administration
  - b. Tracking actual hours worked on the bond to inform FTE calculations
  - c. Providing budget vs. actuals reports to the community oversight committee

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## Scope and methodology

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The purpose of our audit was to determine if Metro was prepared to implement the affordable housing bond measure. Our audit objectives were to determine:

- if program governance roles and responsibilities were clear;
- what information was needed for the oversight committee to provide effective oversight; and
- if there were administrative processes to operate the program.

We focused our audit on Metro's affordable housing bond implementation since the measure passed in November 2018 and affordable housing projects from FY 2014-15 to present. We primarily engaged the Planning and Development and Finance and Regulatory Services departments in our audit process. In August 2020, we issued a separate letter to management summarizing weaknesses in controls related to the conflict of interest disclosure process for the oversight committee and guidance for managing regional administrative costs.

To familiarize ourselves with the bond program, we reviewed budget documents and financial reports, plans and strategies, and relevant laws and requirements. We reviewed professional literature, including prior audits of previous Metro bonds and levies, Transit-Oriented Development (TOD), and relevant audit reports from other jurisdictions. We also reviewed regional, state, and national reports containing relevant data and attended training on accountability and risk in public-private partnerships.

To deepen our understanding of the program, we conducted interviews with managers and staff in Planning and Development, Finance and Regulatory Services, and the Office of Metro Attorney, as well as members of Metro's executive leadership team. We interviewed stakeholders from state and local government and community organizations, as well as members of the oversight committee. We attended meetings of Metro Council and the oversight committee and reviewed meeting information. We also coordinated with other local government performance auditors in the region to avoid duplicating efforts.

To complete our audit objectives, we reviewed relevant documents, including Metro legislation, reporting templates, performance reports, budget documents, and organizational charts. We compared Metro's practices to best practices for program governance, performance reporting, and administrative processes from:

- U.S. Government Accountability Office
- Project Management Institute
- National Association of State Auditors, Comptrollers, and Treasurers

We also reviewed supporting documentation for a sample of eight affordable housing projects. We took a judgmental sample of projects, so the results of our review may not apply to all projects. We included bond projects that were closest to completion during audit field work. We excluded cancelled projects from our sample.

This audit was included in the FY 2019-20 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.

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## Management response

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**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

Dear Auditor Evans:

We appreciate the work of the Auditor's Office to provide feedback early in implementation, and we agree with the majority of the recommendations in the Housing Bond Preparedness Audit. Attached you will find the management response to the memo, which includes additional context, clarification, and corrections regarding findings, recommendations, and work underway or planned that responds to the needed improvements identified in the report. Please note that the text of the auditor's report cuts off at the top of page 13 due to a formatting issue. If the corrected report presents information not considered in our review, we are happy to modify our response.

As you know, the housing bond is a new program charged with responding to our region's enormous and urgent need for affordable housing. For these reasons, Metro's elected and senior leadership have directed staff to support opportunities to ensure rapid deployment of these resources into the community, including providing preliminary funding commitments to an initial round of four "phase 1" projects that were given a green light by Metro Council while broader local implementation planning was still underway. This process illustrates our approach to ensuring responsiveness to the need for rapid implementation while simultaneously and diligently working to build out the operational structures and procedures needed to ensure consistent and streamlined operations moving forward.

As the Audit notes, conservative investment in staff capacity early in implementation has also contributed to delays in the development of procedures and guidance for implementation. Additional capacity is in the process of being added – and more should be evaluated in the future – to fill these gaps in implementation. During the time of this audit period, another significant new housing program was added to the Planning department's portfolio, the Supportive Housing Services program. As this was unanticipated, it required immediate diversion of staff capacity, and a more urgent focus on developing two programs simultaneously. It also presents opportunities for program integration and leverage, as well as additional staffing considerations.

As a new program, continuous improvement is essential—and the Audit provides an excellent tool to inform the program's work in the next year and beyond.

Sincerely,

Marissa Madrigal  
Metro Chief Operating Officer

Recom- mendation Number	Do you agree with the recommendation?	If agree, what are the proposed plans for implementing solutions?  If disagree, please provide reasons.	Proposed timetable for implementation?
1	Yes	<p>Staff have been working to establish clear guidance regarding project approval procedures in the Implementation Guidelines, a manual that includes the evaluation criteria, process, required documentation, and templates for every stage of project approval and reporting.</p> <p>While the Implementation Guidelines were substantially developed by Spring 2020, we agree that further refinement is needed to improve clarity and transparency, including:</p> <ul style="list-style-type: none"> <li>• Clarifying that investments through Metro's Site Acquisition Program will adhere to the same evaluation criteria as other projects;</li> <li>• Clarifying that projects may complete the concept endorsement and final approval steps concurrently;</li> <li>• Providing additional description of the methods used to evaluate projects for alignment with the criteria established in the work plan;</li> <li>• Evaluating, adapting, and clarifying the purpose and process of consulting oversight committee members in the project review process; and</li> <li>• Developing procedures for evaluating changes to project outcomes or funding requests following initial funding approval but prior to disbursement of funds.</li> </ul> <p>Staff will continue to adapt and update these guidelines and procedures over time to respond to new challenges and opportunities as they emerge.</p> <p>Additionally, we would like to provide further clarification and context in response to some of the specific findings in the report that relate to this recommendation.</p> <p><b>Investment of housing bond funds have never been approved through a process using the Transit Oriented Development (TOD) Steering Committee.</b> The only Metro bond funding expenditures through the Site Acquisition Program (SAP) to date have been for administrative costs and due diligence on sites under consideration for potential acquisition.</p>	December 2021/ ongoing

		<p><b>The adjustment in procedures to allow concept endorsement and final approval to occur simultaneously was an intentional decision that we believe reflects the kind of operational streamlining and continual improvement that is a best practice for a new program.</b> When the Work Plan was initially developed, staff anticipated project sponsors requesting a preliminary funding commitment (“concept endorsement”) early in the predevelopment process, and then using this early funding commitment to secure additional funding, such as federal tax credits and private debt, before coming back to Metro for final approval (“final approval”). While this path makes sense for many projects, as implementation has proceeded, we have found that some projects are coming to Metro for approval at a final stage, with costs and budgets fully developed and other sources funding confirmed. For these projects, which were ready to close within a few months, the two-step process created unnecessary administrative burden for both local implementation partner (LIP) jurisdictions and Metro, and risks of costly delays for developers.</p> <p>The Office of Metro Attorney confirmed that there is nothing in the work plan that prevents staff from completing these steps concurrently for projects that do not expect changes prior to their financial close, and staff have utilized this streamlined approach since September. Projects approved through this fast-tracked process have and will continue to be held to the same evaluation standards as other projects.</p> <p><b>While we agree that there are some opportunities to further standardize staff’s evaluation methods, we disagree with the Auditor’s suggestion of a “threshold” for calculating the ratio of bond funding per unit.</b> This kind of approach was intentionally not established in the program work plan and IGAs, based on Metro Council direction that staff should provide flexibility for LIP jurisdictions to use a portfolio approach to achieving unit production targets. We do not believe a formulaic approach is capable of adequately reflecting and responding to the range of financial structures we see across our bond portfolio; bond funding can and should be considered on a jurisdiction by jurisdiction and project by project basis, and will vary based on project size, target population, leveraged funding, and location—among other factors.</p> <p><b>Staff will evaluate and reflect on lessons learned from the process of involving oversight committee members in the project review process, to inform an appropriate approach to involving committee members moving forward.</b> We agree with the Auditor’s finding that improvements are needed to ensure clarity of purpose and process of consulting members of</p>	
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		<p>the oversight committee during the project evaluation process. The oversight committee has no formal role in the project approval process; their formal charge is to oversee implementation progress and outcomes and not to advise on decisions. However, the work plan states that staff “will consult with members of the community oversight committee as needed to advise on projects prior to authorization of funding by the COO.” Staff plan to evaluate lessons learned from the process to date to determine the right approach moving forward.</p> <p><b>While staff evaluate cost reasonableness as part of project evaluation to avoid these risks, we have long recognized the need to build out procedures for managing changes to projects following the initial funding commitment.</b> With a number of projects approved for concept endorsements in 2020 expected to come back for final approval in 2021, this will be a priority focus for the program this year. It is not uncommon for affordable housing projects (or any real estate development projects, for that matter) to identify additional costs not anticipated in early project budgets, and related policies and funding could impact the amount of bond funding needed in projects.</p> <p>Federal omnibus legislation passed in December included a permanent 4% low-income housing tax credit (LIHTC) rate, which will significantly increase tax credit equity in many of our bond projects, potentially reducing the amount of bond funding needed to make the projects pencil out. Policy guidance is needed to ensure that Metro and partners can respond to these policy changes and capture these savings to support additional investments. Other changes could include modifications to projects to leverage rental assistance funding through the Supportive Housing Services measure. This change management work will be a priority task assigned to the new Senior Affordable Housing Analyst that is currently being recruited. The current and proposed program budget also includes funding for consulting support for this work.</p>	
2	Yes	<p>The Implementation Guidelines have been available to LIP jurisdiction and Metro staff on the program’s GroupTrails reporting platform since Spring 2020. An updated version will be shared with LIP and Metro staff, as well as the community oversight committee, following further refinement.</p> <p>We expect that periodic updates will continue to be made throughout implementation and will ensure that updated versions are circulated to the oversight committee as well as Metro and partner staff.</p>	December 2021/ ongoing

3a	Yes	<p>Metro shared annual and financial reporting templates with local implementation partner jurisdictions in fall 2020. It is anticipated that these templates will be further refined as a result of lessons learned through the first annual review process in early 2021.</p> <p>The Auditor notes that Metro did not require annual progress reports from participating jurisdictions during the first two years of the program. However, it has been staff's interpretation that jurisdictions were not formally "participating" in implementation until their local implementation strategies and IGA were completed. Due to the desire to complete all annual progress reports simultaneously to support consistent oversight review, the first annual progress reports were scheduled to be submitted to Metro by January 2021. Given that IGAs were approved between October 2019 and February 2021, this seemed like a reasonable time frame for reporting on their first year of progress in implementation.</p>	<p>Complete</p> <p>Refinement: December 2021</p>
3b	Yes	<p>Quarterly reporting was initiated in 2020 to provide the oversight committee and other interested stakeholders with ongoing updates regarding implementation activities and expenditures, including staff reports and COO approvals for all concept endorsements and final approvals.</p> <p>When Metro Site Acquisition Program funds are committed to acquire or develop sites, these funding commitments will be shared with the Oversight Committee following a consistent process. (Note: due to the sensitive nature of real estate negotiations, potential acquisitions under consideration by the program will not be reported to the oversight committee until after they are approved.)</p> <p>These processes for reporting information to the community oversight committee will be documented in operational procedures.</p>	<p>June 2021</p>
3c	Yes, with noted exceptions	<p>The metrics identified in the Audit as gaps are either already incorporated or in development, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• <b>Preventing displacement in changing neighborhoods:</b> While some methodologies exist to utilize Census data to measure the rate of neighborhood change (e.g., percentage change in non-white population), staff are not aware of existing methodologies to measure the impact of building-level investments on preventing displacement—at least not in a way that can be consistently applied across the variety of market contexts present in our region. Developing a new methodology for evaluating this metric would likely have significant budget impacts, and staff are not confident that</li> </ul>	<p>June 2021 (updated metrics)</p> <p>June 2022 (evaluation of additional metrics related to displacement and quality)</p>

		<p>the results would produce meaningful and actionable performance information. Staff will consider opportunities to investigate these metrics in future years, but does not plan to conduct this level of analysis as part of its 2021 reporting cycle.</p> <ul style="list-style-type: none"> <li>• <b>High-quality homes:</b> Staff are not currently aware of simple metrics for evaluating housing quality. However, we agree that this is an important outcome to be considered as part of the ongoing asset monitoring approach the program team plans to develop in 2021. Staff anticipate a need for further discussion for further policy and budgetary direction regarding the agency's ongoing approach to monitoring properties developed or acquired with bond funds.</li> </ul>	
3d	No	<p>The Housing Bond Program includes multiple tiers of performance measurement and evaluation. The primary program metrics are unit production metrics and funding eligibility. These metrics have clearly defined regional, county, and LIP targets established in the work plan and implementation IGAs with each partner. The work plan also established expectations for local implementation strategies to describe strategies for advancing racial equity and ensuring ongoing community engagement. While we agree that targets are generally a best practice, we disagree with the Auditor's recommendation that Metro establish targets for all program metrics at this stage of implementation.</p> <p>Metro Council directed staff that Metro should not require regional or mandatory local targets for these areas, but should instead focus on supporting LIPs in demonstrating that they are advancing current practices and outcomes, recognizing that jurisdictions were starting from different places in their work to advance racial equity and support robust engagement processes. Because no local (and in some cases, no regional or state) baseline data or defined reporting procedures existed for these metrics, Metro has established guidance for consistent reporting of equity and engagement outcomes, but has not created regional targets or mandated local targets for these areas. The program's current plans to require reporting without targets for several metrics is intended to catalyze and normalize new tracking and reporting expectations across the industry while establishing baseline data to inform future targets.</p> <p>One exception is in outcomes for equitable subcontractor participation in construction. Metro Council encouraged jurisdictions to establish local targets for equitable construction contracting, and specifically advised that for jurisdictions with a history of tracking (Portland and Home Forward only), their Metro bond targets should exceed their current targets.</p>	

		<p>The Auditor’s report notes that including “optional” and “open-ended” reporting is inconsistent with best practices for performance management. Staff believe inclusion of open-ended questions is aligned with feedback from community leaders, who advised that racial equity outcomes are best evaluated using a combination of quantitative and qualitative data. We recognize that analyzing qualitative data requires more effort, however, and recommend further evaluation of this approach, and capacity needs to support it, following the initial annual review in 2021.</p> <p>Some metrics are “optional” due to lack of existing infrastructure for tracking. For example, this is the case for workforce diversity outcomes, for which Portland and Home Forward have established targets that predate the Metro bond, and other jurisdictions have no history or experience in tracking. Housing bond program staff are currently coordinating with Metro’s Construction Careers Pathways Project (C2P2) program to evaluate the cost of providing workforce diversity tracking software to LIPs. Additional technical assistance and staff support would be required to fully deploy this software and support tracking.</p>	
3e	Yes	<p>Updates to the Implementation Guidelines will include improvements to ensure timely reporting of post-completion and post-lease up project performance information. Additional procedures are in development to secure ongoing monitoring through occupancy and compliance reports, physical inspections, and financial performance.</p> <p>Ensuring reliability of data is challenging and will require additional investments in staff capacity and partnerships. The following efforts are currently underway but may have budget impacts not yet analyzed:</p> <ol style="list-style-type: none"> <li>1) Staff are working with Oregon Housing and Community Services (OHCS) on a monitoring IGA that will provide ongoing monitoring and compliance data for projects that have state funding in addition to Metro bond funding (the majority of projects).</li> <li>2) As noted above, housing program staff are coordinating with Metro’s Construction Careers Pathways Program (C2P2) program to evaluate the cost of providing workforce diversity tracking software to all projects that receive Metro bond funding.</li> </ol> <p>The Housing Bond’s FY2022 budget proposes additional staff capacity to support program evaluation and reporting. Once this capacity is added, staff will evaluate opportunities for additional quality controls and capacity building to support performance evaluation.</p>	June 2022

4	Yes	Metro will share finalized procedures for post-completion and post-lease up project reporting and ongoing asset monitoring, as well as a complete list of performance metrics, with staff, community oversight committee and participating jurisdictions.	December 2021
5	Yes	<p>There is clearly more need for staff capacity, and efforts are underway to bring additional staff and consulting support to the program. While the Measure's 5% administrative cap creates some limitations, there is underutilized capacity within this cap. Filling existing vacancies and adding additional capacity in the next budget is essential if the program is to succeed in addressing the challenges and opportunities identified in the Auditor's report.</p> <p>During the time period this audit was conducted, an additional new housing program of significant scale was also added to the portfolio of the department, the Supportive Housing Services measure. Not only did this require immediate diversion of staff capacity from the bond program to staff the new, unanticipated program; it also presented opportunities for strategic integration. Thus, we are in the process of adding new staff capacity at multiple levels not only to address your recommendations here, but also to ensure both housing programs can be delivered effectively, transparently, and cost effectively.</p>	June 2021
6a	Yes	Management agrees that planning for administrative costs over the life of the program is a best practice, and we will work to formalize that planning process, while recognizing that it is important to be responsive to changing circumstances during implementation. Management will refine the bond administrative cost forecast as part of the FY2022 budget process.	June 2022
6b	Yes	This practice has been in place since mid-2020 and was used to inform budgeting for FY 2021-22.	Complete
6c	Yes	Staff will work to continue to refine financial reporting that is provided to the oversight committee to ensure that it is relevant and provides the information they need to effectively monitor expenditures and progress. We have learned through more than 25 years of managing general obligation bonds that these programs have unique reporting needs and that working with oversight committees to develop custom reports results in improved transparency and accountability.	June 2021

Metro Auditor's Note to Readers:

A formatting error cut off some text in the draft report that was sent to Metro management seeking their response to the audit recommendations. The missing text that should have been included on page 13 is bolded here for reference. "On each occasion, a different pair of **committee members participated from a pool of up to 13.**" Because of the error, additional time was given to Metro management to review the full report before it was published.



Office of the Metro Auditor  
600 NE Grand Avenue  
Portland, Oregon 97232  
503-797-1892  
[www.oregonmetro.gov](http://www.oregonmetro.gov)

# Affordable Housing Bond Preparedness: Develop clear and consistent guidance to improve bond operations

## Why this audit is important

In November 2018, voters approved a \$652.8 million bond measure to create 3,900 affordable housing units over five to seven years. Seven jurisdictions were eligible to receive bond funding. The measure established four outcomes for the bond program:

- Lead with racial equity
- Create opportunity for those in need
- Create opportunity throughout the region
- Ensure long-term benefits and good use of public dollars

We assessed Metro's preparedness to implement the bond measure by reviewing agency practices for program governance, performance reporting, and administrative processes.



Preliminary bond funding for an affordable housing project in Beaverton was approved in March 2019

Source: Metro's website

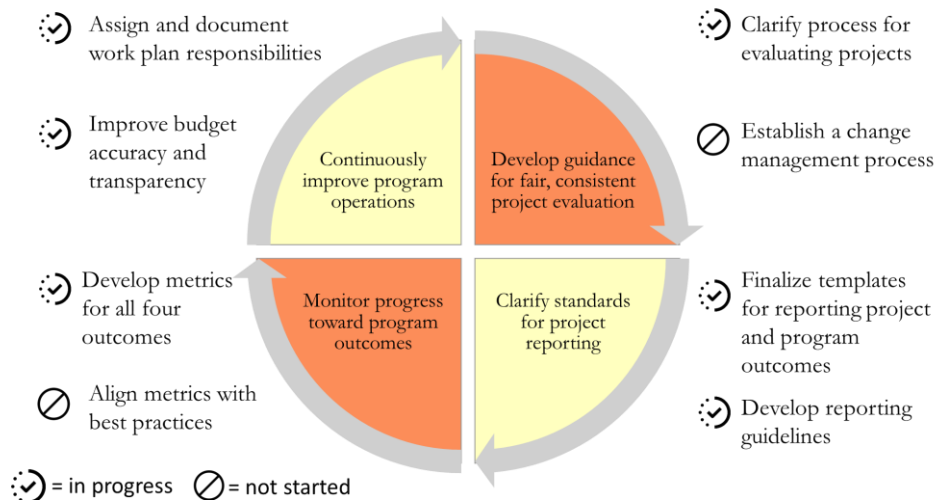
We also issued a separate letter to management in August 2020. The letter summarized control weaknesses in two areas. These weaknesses were related to guidance for administrative costs and the conflict of interest disclosure process for the bond's community oversight committee.

## What we found

Metro prioritized building relationships with jurisdictions over developing procedures to implement the bond. Some procedures were in place. However, they were not fully established to support fair consideration of program funding requests, clear standards for reporting on program outcomes, and continuous improvements in program operations. We found:

- Processes for evaluating and approving changes to projects had not been clearly established
- Project reporting templates and guidance were not fully developed
- Metrics did not completely measure program outcomes and were inconsistent with best practices
- Opportunities to improve workload and budget management

## Housing bond implementation was in progress, but some gaps remained



Source: Auditor's Office analysis

## What we recommend

We recommended management develop guidance to support fair and consistent consideration of bond program funding requests and help monitor bond progress. We also made recommendations to improve workload and budget management.

Agenda Item No. 4.1

**Consideration of the Council Meeting Minutes for January 28, 2021**

*Consent Agenda*

Metro Council Meeting  
Thursday, February 4, 2021

# **Metro**

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



**Metro**

## **Minutes**

**Thursday, January 28, 2021**

**2:00 PM**

**<https://zoom.us/j/93558032526> or (253)215-8782**

**Council meeting**

**1. Call to Order and Roll Call**

**Present:** 7 - Council President Lynn Peterson, Councilor Shirley Craddick, Councilor Bob Stacey, Councilor Christine Lewis, Councilor Juan Carlos Gonzalez, Councilor Mary Nolan, and Councilor Gerritt Rosenthal

**2. Public Communication**

Council President Peterson opened up the public comment portion of the meeting and requested that those wishing to testify come forward to speak.

Robert Liberty City of Portland: Mr. Liberty expressed his concerns around the next update to the Regional Transportation Plan (RTP). He asserted that desired outcomes (such as a reduction of congestion) should first be determined before deciding on projects and allocating assets.

Councilor Stacy responded by asserting that the Council's new method of allocation assets centers on the improvement of existing transportation structures (with respect to safety and equity), rather than embarking on new construction ventures, and thanked Mr. Liberty for his testimony.

**3. Presentations****3.1 FY 20 Parks & Nature Annual Report**

Jon Blasher presented an update to how bonds from prior years have enabled the completion of numerous projects, park improvements, and aided in the diversification of the workforce. Additionally, Mr. Blasher detailed the adjustments that education and volunteering efforts have made in response to the COVID-19 pandemic in order to continue offering experiences involving natural areas. Mr. Blasher emphasized efforts to address diversity, equity, and inclusion; protecting land; and managing historic cemeteries. Lastly, Mr. Blasher broke down the application

of the 2006 natural areas bond, and the 2018 levy renewal.

*Council Discussion*

Councilor Lewis asked what restoration work could be done in a COVID-19 scenario. Additionally, Ms. Lewis asked for an update on a project headed by Cornelius.

Mr. Blasher assured the Councilors that restoration work is ongoing, and offered follow-up regarding the Cornelius-headed project outside of session.

Councilor Gonzales complimented the department on the thoroughness of their report, with particular emphasis on the outcomes.

Councilor Craddick thanked Parks & Nature staff for their hard work.

Councilor Stacey thanked Mr. Blasher for his coverage of information pertinent to his constituents (the Memorial Garden).

Mr. Blasher offered an update on the Cornelius-headed project, saying that it will be completed by the end of the fiscal year.

3.2 FY 20 Parks and Nature Oversight Committee Annual Report

Mr. Blasher introduced Peter Mohr, chairperson of the P&N Oversight Committee, to present.

Mr. Mohr recapped the goals of the 2006 bond and spoke to the challenges they have faced in the process of both achieving and surpassing those goals. Mr. Mohr complimented the P&N department on their commitment to transparency, as well as their efficiency.

*Council Discussion*

Councilor Lewis asked whether Mr. Mohr had any wisdom

to offer as the Council moves forward with the 2019 bond.

Mr. Mohr responded by noting that the 2019 bond is much more diverse in terms of its objectives. He further suggested that they learn from successes made with the 2006 bond measure, and to remain transparent. Additionally, more public relations to increase awareness of the bond measure was suggested.

Councilor Rosenthal asked whether money promised for the Scott Creek Oak Bluff was reallocated. Mr. Mohr confirmed that the money was in the process of being re-allocated.

The difference between “accessibility” in the 2006 bond and 2019 bond were also discussed-as “accessibility” has been more discretely identified by the Council as an objective outcome as part of the 2019 bond.

#### **4. Consent Agenda**

Approval of the Consent Agenda

**A motion was made by Councilor Lewis, seconded by Councilor Nolan, to adopt items on the consent agenda. The motion passed by the following vote:**

**Aye:** 7 - Council President Peterson, Councilor Craddick, Councilor Stacey, Councilor Lewis, Councilor Gonzalez, Councilor Nolan, and Councilor Rosenthal

- 4.1 Consideration of the Council Meeting Minutes for January 21, 2021
- 4.2 Resolution No. 21-5156, For the Purpose of Appointing Two New Members and Reappointing Five Members of the Metro Affordable Housing Bond Community Oversight Committee

#### **5. Ordinances (First Reading and Public Hearing)**

- 5.1 Ordinance No. 21-1458, For the Purpose of Annexing to the Metro District Boundary Approximately 5.85 Acres Located at 10680 SW Clutter Street in Wilsonville

Council President Peterson introduced Metro Attorney Carrie MacLaren to present on Ordinance No. 21-1455. Ms. MacLaren reviewed legal procedure required when Council passes annexations.

Council President Peterson introduced Tim O'Brien to present. Mr. O'Brien reviewed the land in Wilsonville that staff suggests to be annexed.

*Council Discussion*

There was none.

- 5.2 Ordinance No. 21-1459, For the Purpose of Annexing to the Metro District Boundary Approximately 0.357 Acres Which Represents the Street Right-of-Way Portion for Property Located at 15455 SW Finis Lane in Tigard.

Tim O'Brien reviewed the land in Tigard that staff suggests to be annexed.

*Council Discussion*

Tim O'Brien addressed a previous inquiry from the Council regarding how many acres are left to be annexed.

**5.2.1 Public Hearing for Ordinance No. 21-1458 & Ordinance No. 21-1459**

Council President Peterson opened up a public hearing on Ordinance No. 21-1458 and Ordinance No. 21-1459 and requested that those wishing to testify come forward to speak. Seeing none, Council President Peterson gavelled out of the public hearing. She noted that the Metro Council would hold a second hearing and vote on February 4, 2021.

**6. Chief Operating Officer Communication**

Marissa Madrigal shared that Nora the polar bear is returning to the zoo. Additionally Ms. Madrigal detailed some small and socially-distant meetings that she was able to attend, and invited Councilors to connect with her should they have constituents for her to meet with. Lastly, Ms.

Madrigal described the details of a Senior Leadership Team Zoom meeting going over the events of the past year.

**7. Councilor Communication**

Councilor Stacey announced that he had attended a House Bill 2017 Transit Advisory Committee (managed by TriMet) that morning that detailed 7 prospective projects they seek to be funded. He offered to pass on a list of those projects to those interested.

Councilor Lewis recapped the events of the first meeting of the Project Advisory Committee for the West Linn Oregon City Bicycle-Pedestrian Bridge Alignment Study (which occurred the day prior).

**8. Adjourn**

Seeing no further business, Council President Lynn Peterson adjourned the Metro Council work session at 3:23 p.m.

Respectfully submitted,



Shay Perez, Council Policy Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JANUARY 28, 2021**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT No.</b>
<b>3.1</b>	PPT	01/28/21	Parks-and-Nature-Annual-Report-2019-20	012821c-01
<b>4.1</b>	Minutes	01/28/21	Council Meeting Minutes for January 21, 2021	012821c-02

Agenda Item No. 5.1

**Resolution No. 20-5146**, For the Purpose of Purchasing Property for Future  
Development of a Metro Recycling and Solid Waste Transfer Center

*Resolutions*

Metro Council Meeting  
Thursday, February 4, 2021

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 20-5146
CHIEF OPERATING OFFICER TO PURCHASE	)	
PROPERTY FOR FUTURE DEVELOPMENT OF	)	Introduced by Chief Operating Officer
A METRO RECYCLING AND SOLID WASTE	)	Marissa Madrigal in concurrence with
TRANSFER CENTER	)	Council President Lynn Peterson

WHEREAS, Metro is the solid waste system planning authority for the region and acts pursuant to its constitutional, statutory, and charter authority; and

WHEREAS, in Ordinance No. 87-740 Metro Council designated solid waste as an area and activity appropriate for development of a functional plan and has a significant impact upon the orderly and responsible development of a metropolitan area; and

WHEREAS, in Ordinance No. 19-1431, the Metro Council adopted the 2030 Regional Waste Plan, which superseded all previous regional solid waste management plans and amendments; and

WHEREAS, the 2030 Regional Waste Plan serves as the greater Portland area's blueprint for investing in a garbage and recycling system, reducing the environmental and health impacts of products that end up in this system, and advancing progress towards Metro's racial equity objectives; and

WHEREAS, Goal 10 of the 2030 Regional Waste Plan is to “provide regionally consistent services for garbage, recyclables and other priority materials that meet the needs of all users” and Goal 16 of the 2030 Regional Waste Plan is to “maintain a system of facilities, from smaller recycling drop-off depots to larger full-service stations, to ensure equitable distribution of, and access to, services”; and

WHEREAS, Action 16.5 of the 2030 Regional Waste Plan is to “evaluate the feasibility of establishing a publicly owned facility in Washington County to accept and transfer garbage, recycling, food scraps, household hazardous waste and other materials”; and

WHEREAS, beginning early in 2019, Waste Prevention and Environmental Services (WPES) staff began searching for properties within Washington County that could be suitable for the future development of a Metro recycling and solid waste transfer center; and

WHEREAS, in summer of 2019, WPES staff identified a property in the City of Cornelius as a potentially appropriate site and on October 9, 2019, the Chief Operating Officer entered into a Purchase and Sale Agreement for said property (the “Cornelius Property”); and

WHEREAS, for the past sixteen months, Metro staff and expert consultants have undertaken due diligence activities (including, appraisal, environmental and geotechnical studies) on the Cornelius Property as well as engaged in widespread community engagement related to Metro’s potential acquisition, which outreach was conducted in accordance with Metro diversity, equity and inclusion initiatives and goals; and

WHEREAS, acquiring the Cornelius Property would be in Metro’s best interest and allow Metro to continue evaluating the feasibility of establishing a publicly-owned facility on the property to achieve the aforementioned goals of the 2030 Regional Waste Plan; and

WHEREAS, Metro Code Section 2.04.026(a)(2) requires that the Chief Operating Officer obtain the authorization of the Metro Council to acquire real property for Metro; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to acquire the Cornelius Property, on terms set forth in the Purchase and Sale Agreement, in accord with Metro's usual and customary acquisition parameters and due diligence preconditions.

ADOPTED by the Metro Council this \_\_\_\_ day of February 2021.

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Lynn Peterson, Council President

Approved as to Form:

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Carrie MacLaren, Metro Attorney

IN CONSIDERATION OF RESOLUTION NO. 20-5146, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO PURCHASE PROPERTY FOR FUTURE DEVELOPMENT OF A METRO RECYCLING AND SOLID WASTE TRANSFER CENTER

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Date: Jan. 25, 2021

Department: Waste Prevention and Environmental Services

Meeting Date: Feb. 4, 2021

Prepared by: Dan Blue,  
[dan.blue@oregonmetro.gov](mailto:dan.blue@oregonmetro.gov) and Roy Brower,  
[roy.brower@oregonmetro.gov](mailto:roy.brower@oregonmetro.gov)

Presenter(s): Roy Brower and Brian Kennedy

Length: 10 minutes

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### ISSUE STATEMENT

In 2019, the Metro Council and Waste Prevention and Environmental Services (WPES) staff discussed potential Metro infrastructure investments to improve and modernize the regional solid waste system, and to support more equitable distribution of services in the western part of the region.

On October 9, 2019, the Metro Chief Operating Officer executed a Purchase and Sale Agreement for certain property located in Cornelius, Oregon, providing Metro with the opportunity to conduct due diligence to determine the suitability of the property for the future development of a Metro recycling and solid waste transfer facility.

Based on extensive community engagement and property investigation work conducted over the last 18 month period, staff has determined that the Cornelius property is suitable for future development. Staff's determination is based on:

- The potential facility's grounding in the 2030 Regional Waste Plan and how land acquisition and future development relate to other potential and planned Metro policies and investments.
- The suitability and cost of the Cornelius property.
- The input received from a substantial community engagement effort undertaken over the last year.

Council further directed that, prior to implementation of actions to design and develop the property, staff engage the Council in discussions of: (1) the services to be provided at a potential facility; (2) the projected costs of developing and operating this facility; (3) the relationship of those costs to others associated with implementing the 2030 Regional Waste Plan; and (4) the relationship of services to be provided at a potential facility to policies such as allocations of wet waste to private transfer stations.

In accordance with the Metro Code, and as a condition precedent to Metro's obligation to purchase the property under terms of the Purchase and Sale Agreement, the Metro Council

must approve the acquisition and authorize the Chief Operating Officer to close on the purchase of the Cornelius Property.

Metro's option to purchase the Cornelius property under the terms of its Purchase and Sale Agreement with the owner expires on Feb. 9, 2021.

### **ACTION REQUESTED**

Council vote on Resolution No. 20-5146 authorizing the Chief Operating Officer to purchase certain real property for future development of a Metro Recycling and Solid Waste Transfer Center.

### **IDENTIFIED POLICY OUTCOMES**

The policy outcomes resulting from purchasing the Cornelius property tie primarily to the following goals in the 2030 Regional Waste Plan, which serves as the greater Portland area's blueprint for investing in our garbage and recycling system, reducing the environmental and health impacts of products that end up in this system, and advancing progress towards Metro's racial equity objectives:

*Goal 10: Provide regionally consistent services for garbage, recyclables and other priority materials that meet the needs of all users.*

*Goal 16: Maintain a system of facilities, from smaller recycling drop-off depots to larger full-service stations, to ensure equitable distribution of, and access to, services.*

*Action 16.5 Evaluate the feasibility of establishing a publicly owned facility in Washington County to accept and transfer garbage, recycling, food scraps, household hazardous waste and other materials.*

### **STAFF RECOMMENDATION**

Approve Resolution 20-5146 authorizing Metro's Chief Operating Office to purchase property for future development of a Metro Recycling and Solid Waste Transfer Center.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Through its role in planning, managing and overseeing the regional garbage and recycling system, Metro seeks to meet the needs of a growing population in western Washington County by evaluating whether to build a public multi-use modern transfer center to manage some combination of services such as transfer of garbage and recyclables, collection and management of household hazardous waste and more. This facility could also provide community services like waste reduction education, public meeting space for groups such as Master Recyclers and Environmental Promoters, and public art from reused materials.

The Metro Council adopted the *2030 Regional Waste Plan – Equity, Health and the Environment* in March 2019 after more than two years of extensive and collaborative community engagement work. The plan contains a comprehensive set of goals and actions intended to ensure that the garbage and recycling system would contribute to Metro meeting its six desired regional outcomes and fulfilling *Metro’s Strategic Plan to Advance Racial Equity, Diversity and Inclusion*. As noted above, one action focuses on determining whether to establish a publicly-owned garbage transfer facility in Washington County. Metro has found that efforts to invest in such new garbage and recycling infrastructure – whether to provide commercial garbage services or public services, such as self-haul, hazardous waste and recyclable collection – have been constrained by the availability of locating property that could meet the need for such a facility. Acquisition of this property helps to significantly lower barriers to potential future investment and development.

The inclusion of this action reflected strong input from local governments and community members in the western part of the county that such a facility was needed to provide garbage and recycling services to which residents and businesses didn’t have reasonable access, and to address high disposal rates charged by private facilities in the area.

#### *Equity*

If Council proceeds with decisions to first acquire the Cornelius property and then to develop the new facility, the services provided will address service gaps experienced by the significant Latinx population and others in the area and create the opportunity for community members and local governments in the area to identify other options for benefits. The specific work that has resulted in bringing the site acquisition decision to Council incorporated key equity principals from the Regional Waste Plan to involve marginalized communities that historically haven’t had a voice in garbage and recycling decisions. Metro partnered with Centro Cultural to help recruit, select and engage with community advisory group establishing specifically to provide input and guidance to Metro.

#### *Climate*

The emissions associated with the goods and services consumed in the greater Portland area represent a significant portion of the region’s greenhouse gases. While those emissions occur at all stages of a product’s life cycle, a meaningful amount are associated with how products are managed – through disposal, reuse or recycling – at the end of their life. In fact, recycling and composting efforts in the greater Portland area in 2017 reduced greenhouse gas emissions equivalent to removing approximately 306,000 cars from the road. A garbage and recycling transfer center in western Washington County would further

strengthen the region's infrastructure for reuse and recycling by improving access to these services.

#### *Known Support, Opposition and Community Feedback*

WPES and Communications Department staff conducted a comprehensive engagement process related to potential acquisition of the Cornelius site. In summary:

- The Washington County, Hillsboro, Cornelius and Forest Grove governments support proceeding with acquisition of the site and potential development of a facility.
- There is general support from the community members who took the opportunity to weigh in on the project.
- The City of Sherwood (see Attachment E) requests that Metro conduct a thorough feasibility study to assess the solid waste system's need for the potential facility prior to undertaking any design and construction. The City also expressed concerns about the cost of a new facility and whether its residents and businesses would contribute to paying the costs while deriving little direct benefit. Some in the City of Gresham also share this latter concern.
- Pride Disposal and Recycling, which owns and operates a transfer station in Sherwood, opposes development of a new Metro-owned facility because of concern about a potential reduction or impact to its allocation of putrescible (wet) waste. Waste Management, which owns and operates a transfer station in Forest Grove, has expressed concern about duplication of services and the potential impact of a new transfer station on the amount of wet waste delivered to this facility. WM has indicated support for the potential delivery of other services currently missing from this part of the region.
- Local government partners and community and industry stakeholders are interested in further information on the business justification and costs of developing a facility in Cornelius.
- Neighboring residents and business had concerns about potential noise, odor, traffic and air quality impacts, but those who participated in stakeholder meetings mostly felt that their concerns could be addressed and supported by Metro acquiring the property.

Detailed information on the engagements that Metro conducted is contained within an attachment to this worksheet.

#### LEGAL ANTECEDENTS

Metro Charter, Chapter 2.04.026(a)(2)

### *Financial Implications*

The cost of acquiring the Cornelius site is \$3,100,000. If Council approves the purchase resolution on Feb. 4, 2021, then the Chief Operating Officer will proceed with contract finalization and purchase, using funds from the Solid Waste Reserve Fund already allocated within the current FY20-21 Capital Improvement Plan budget. There would be no rate impacts associated with the parcel acquisition. Costs of developing and operating a facility on the site would be determined after completion of a process of Council and community input and obtaining Council direction on the services to be provided. Metro's real estate and legal staff believe that, even if no facility was to be developed on the property, land-banking this parcel is prudent.

### **BACKGROUND**

As noted above, acquisition of the Cornelius site and potential development of a waste and recycling transfer station are strongly rooted in the 2030 Regional Waste Plan. As with many of the goals and actions associated with the plan, this one intersects with, affects and is affected by other policies, programs and investments identified in the plan. For example, the plan identifies future work to expand opportunities for reuse of products and materials, and to improve the systems for recycling food waste. A new facility in Washington County could help achieve both of those things. Additionally, one of Metro's long-standing roles, identified in the Plan, is to regulate the solid waste system for the public good. Part of that responsibility includes managing allocations of wet waste to be handled by private transfer stations. Building a new public transfer station will require Council to consider what changes would need to be made to the future allocations to continue to maximize public benefit, while reflecting the addition of a new facility. And finally, Metro needs to balance implementing infrastructure and program actions in the plan with the cost impacts that these actions will have on Metro and local government budgets and on the garbage and recycling collection rates paid by the region's residents and businesses. Metro staff are starting a system-wide facility planning review to evaluate the future needs of the regional system, determine how to improve current infrastructure, and fill gaps in the system to establish a more sustainable, efficient and modern system.

### **ATTACHMENTS**

Resolution No. 20-5146

Attachment A: Letter, City of Cornelius

Attachment B: Letter, Community Advisory Group

Attachment C: Letter, Waste Management Inc.

Attachment D: Letter, Mayor Mays, City of Sherwood

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

# Cornelius

Oregon's Family Town



January 25, 2021

Ms. Lynn Peterson  
Metro Council President  
Metro Regional Center  
600 NE Grand Ave  
Portland, OR 97232-2436

Re: Future Metro West Recycling and Transfer Center

Dear Council President Peterson and Metro Councilors,

On behalf of the Cornelius City Council, I would like to express our support for the proposed Future Metro West Recycling and Transfer Center, which is being considered for preliminary investment through land purchase. Through robust community outreach, including multiple engagements with Cornelius city staff and the City Council, Metro has identified a 12.5-acre property in Cornelius' industrial district appropriate for such a facility. For nearly 18 months, Metro and Cornelius city staff have coordinated zoning compliance, property due diligence, and programming and infrastructure concepts, and we have reached a clear understanding of the objectives and opportunities that this project will bring to the community of Cornelius and western Washington County.

Cornelius has a population of approximately 12,600 residents, nearly 52 percent of them identifying as Latino. Our community's poverty rate hovers near ten percent. Our community is also growing, as is nearly all of Washington County, and we expect a 30 percent increase in our city's population within the next five years. We are assisting numerous new commercial and industrial businesses drawn to our bountiful city, which is increasingly developing itself as a complete, though regionally interconnected, community. Our industrial road network is nearly fully built out, and we host a major section of Washington County's Regional Freight Network through our industrial district.

Cornelius has worked very hard over the past decade to improve our economic condition through sound planning policies, culturally-sensitive community outreach, and recruitment and growth of our industrial base. We are thoughtful about how new industry will impact our communities, as well as the positive results created through new employment opportunities. Since our initial discussions with Metro staff in 2019, our City Council and staff have been supportive and excited about the new resources that a state-of-the-art recycling, recovery, and transfer facility can bring to this corner of the Portland Metro region. From family-wage jobs to greater opportunities and convenience for commercial and household waste management, including household hazardous waste – always a difficult waste category to manage in exurban communities – this new facility will bring new employment and an equitable level of service to communities that have to date been limited in

their waste management options. This project gives appropriate investment to west side communities while serving the greater region and fulfilling Metro's Regional Waste Plan.

As you can see, Cornelius is a very suitable community to host Metro's next waste recycling, recovery, and transfer station. Our community has expressed strong support for this project, and our elected and appointed officials have met this effort with excitement and encouragement. We collectively see this as an asset and an opportunity to not only serve the waste management needs of the west side, but also contribute to our city's economic development and environmental management initiatives.

The Cornelius City Council urges the Metro Council to vote in favor of purchasing the 12.5-acre property on N 4<sup>th</sup> Avenue in Cornelius, thereby taking one major step toward fulfillment of Metro's Regional Waste Plan and equitable distribution of resources and amenities across its service area.

Sincerely,



Jeffrey C. Dalin  
Mayor of Cornelius

**Letter to Metro Council**

**Ref: Metro West Transfer Station**

**January 26th, 2021**

Distinguished Councilors:

Today, I come to share with you some comments and feedback we received from the members of the Community Advisory Group for the Metro West Potential Transfer Station.

Participants of this group feel that a transfer station would be a great benefit to the community. It will create job opportunities, and people will not have to travel so far to get rid of household hazardous waste safely. Using modern technology would mitigate issues that could arise from operating this facility, and bring instead education opportunities and contribute to the economy of this area.

It has been an honor for me to be part of the CAG. I support the development of a Transfer and Recycling Station in my area. It would help us to care for the environment, and it would bring employment and service to residents of Cornelius and surrounding areas, for example, Forest Grove, Hillsboro, North Plains, Gaston and McMinnville. Considering, that the nearest facilities are located in Portland and Oregon City, it is clear that we do need a transfer station on this side of town. We have waited for a long time.

With Appreciation,

Mariana E. Valenzuela

On behalf of the Community Advisory Group



**WASTE MANAGEMENT**

7227 NE 55<sup>th</sup> Avenue  
Portland, OR 97218

January 19, 2021

Metro President Lynn Peterson and Metro Council  
Councilor Shirley Craddick  
Councilor Christine Lewis  
Councilor Gerrit Rosenthal  
Councilor Juan Carlos Gonzalez  
Councilor Mary Nolan  
Councilor Bob Stacey  
600 NE Grand Avenue  
Portland, OR 97232

**SUBJECT: Potential Metro Westside Facility**

*\*\* sent by email only \*\**

Dear President Peterson and Metro Councilors:

This letter is in response to a staff report issued on January 7<sup>th</sup> regarding potential Metro infrastructure in Cornelius scheduled for consideration at a work session today, January 19<sup>th</sup>. It is important for us to clarify the record suggesting we have offered “no formal position.” Given Waste Management’s conversations with staff, we are surprised this correction is required and disappointed by the staff report’s characterization of our lack of concern. As we have discussed with you and made clear to staff, to the contrary, Waste Management remains quite concerned about the potential impact a new Metro Westside transfer station will have on our nearby infrastructure. Our concern lies in creating costly duplicative services. Nonetheless, we remain enthusiastic and excited about the delivery of “missing” services on the westside of the Region that ensures regional equity.

Waste Management is committed to serving the Metro Region. Our Forest Grove Transfer Station (FGTS) efficiently moves significant wet waste volume within the Metro regional system. Our dry waste processing facility, Tualatin Valley Waste Recovery (TVWR), diverts significant tonnage of waste from landfills. Both facilities are important assets representing significant investments by Waste Management. If Metro builds duplicative infrastructure, and diverts volume to this new facility, it would be a de facto closure (and taking) of our assets and require compensation. This, and other questions, remain. It seems to us, the conversations with Metro staff should be continued to find a mutually acceptable solution, one that balances services to the community, without costly duplicative infrastructure and preserves private property rights. We are, of

course, always ready to continue dialogue about the best path forward for the region, but disappointed that the public-minded spirit in which we have tried to approach this question has been translated as acquiescence or approval.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Adam Winston', with a large, stylized 'A' and 'W'.

Adam Winston  
Area Director – Collection Operations

cc: Paul Slyman, Metro  
Roy Brower, Metro  
Dean Kampfer, WM



November 30, 2020

City of Sherwood  
22560 SW Pine St.  
Sherwood, OR 97140  
Tel 503-625-5522  
Fax 503-625-5524  
www.sherwoodoregon.gov

**Mayor**  
Keith Mays

**Council President**  
Tim Rosener

**Councilors**  
Renee Brouse  
Sean Garland  
Russell Griffin  
Doug Scott  
Kim Young

**City Manager**  
Joseph Gall, ICMA-CM

Marissa Madrigal  
Chief Operating Officer  
Metro  
600 NE Grand Avenue  
Portland, Oregon 97232

Dear Marissa,

On behalf of the Sherwood City Council, I wanted to again thank you and your staff for participating in our special meeting on November 24, 2020. It was a very informative and helpful discussion about both the proposed Tipping Fee Increase and the potential Cornelius transfer station. We discussed a wide range of topics related to both proposals, but there were some key takeaways that I wanted to share with you from the work session, including:

1. Metro Council has delayed consideration of the original proposed Tipping Fee increase until December 17, 2020. In addition, Metro staff indicated that alternatives to the original proposal are being created that could include only one Tipping Fee increase (versus the original two) in 2021. This includes making the effective date of July 1, 2021 which is the normal implementation cycle for such fee adjustments.
2. The sophisticated Metro rate model that was shared with the City of Sherwood and reviewed by Chris Bell, our financial analyst contains projected costs, tons and rates for the next fifteen years. However, Brian Kennedy, CFO stated in our work session that this current rate model has "no validity".
3. There have been no significant labor reductions within WPES over the past year due to the decreased tonnage volumes according to Brian Kennedy.
4. Metro has an adequate fund balance to postpone a Tipping Fee increase until July 1, 2021.
5. A commitment was made to allow Sherwood officials to more actively participate in the ongoing discussions about future Tipping Fee adjustments.
6. A feasibility study will be conducted by Metro prior to moving forward with any design and construction of the proposed Cornelius transfer station facility. This critical step is outlined in the Metro Solid Waste Management Plan. Sherwood Council members request that the feasibility study focuses on the entire region – on what is needed and includes a broad look at solutions to those needs rather than a study that is designed to validate the aspirational goals within the SWMP. Sherwood recommends setting up a

committee where cities and haulers are represented and provide critical input to the feasibility study. Sherwood would like to have a representative on that committee.

Roy Brower stated that before the design stage, Metro will take a pause to take a look at regional, global look at needs and facilities, and gaps in the system. The feasibility study will look at the facility amenities proposed in Cornelius and one in the south and also look at the broad system-wide needs.

For Sherwood, it is important for the Regional Feasibility Study to give us answers to the following questions:

- A) If a facility is constructed (and/or existing one rebuilt), how will it be funded? Through the tonnage fee paid by users of that facility, by the Regional System Fee, or a combination of the two?
- B) How will future tonnage volume allowances be determined? If Metro uses the current method, 60% of the wet tons will be directed to Metro's facilities, with the remaining tonnages allotted to the non-Metro facilities. If a new or rebuilt transfer facility is built, this method will have a significant impact on the fee charged at non-Metro facilities.

We look forward to additional details about potential alternatives to the original Tipping Fee increase over the coming weeks and encourage you to work with all other local jurisdictions and industry members. These are important decisions in a normal year, but certainly heightened during the ongoing Covid-19 pandemic.

Sincerely,



Keith Mays  
Mayor

CC: Sherwood City Council  
Joseph Gall, ICMA-CM, City Manager  
Metro Council  
Metro Mayors Consortium  
Metro area City Managers

Agenda Item No. 6.1

**Ordinance No. 21-1458**, For the Purpose of Annexing to the Metro District Boundary  
Approximately 5.85 Acres Located at 10680 SW Clutter Street in Wilsonville

*Ordinance (Second Reading & Vote)*

Metro Council Meeting  
Thursday, February 4, 2021

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ANNEXING TO THE	)	ORDINANCE NO. 21-1458
METRO DISTRICT BOUNDARY	)	
APPROXIMATELY 5.85 ACRES LOCATED	)	Introduced by Chief Operating Officer
AT 10680 SW CLUTTER STREET IN	)	Marissa Madrigal with the Concurrence of
WILSONVILLE	)	Council President Lynn Peterson

WHEREAS, PDC Seattle LPIV BB/TH, LLC has submitted a complete application for annexation of 5.85 acres located at 10680 SW Clutter Street in Wilsonville (“the territory”) to the Metro District; and

WHEREAS, the Metro Council added the Wilsonville industrial area to the urban growth boundary (UGB), including the territory, by Ordinance No. 02-969B on December 5, 2002; and

WHEREAS, Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan requires annexation to the district prior to application of land use regulations intended to allow urbanization of the territory; and

WHEREAS, Metro has received consent to the annexation from the owners of the land in the territory; and

WHEREAS, the proposed annexation complies with Metro Code 3.09.070; and

WHEREAS, the Council held a public hearing on the proposed amendment on January 28, 2021; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Metro District Boundary Map is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance.
2. The proposed annexation meets the criteria in section 3.09.070 of the Metro Code, as demonstrated in the Staff Report dated January 13, 2021, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this \_\_\_\_ day of February 2021.

---

Lynn Peterson, Council President

Attest:

Approved as to form:

---

Jaye Cromwell, Recording Secretary

---

Carrie MacLaren, Metro Attorney

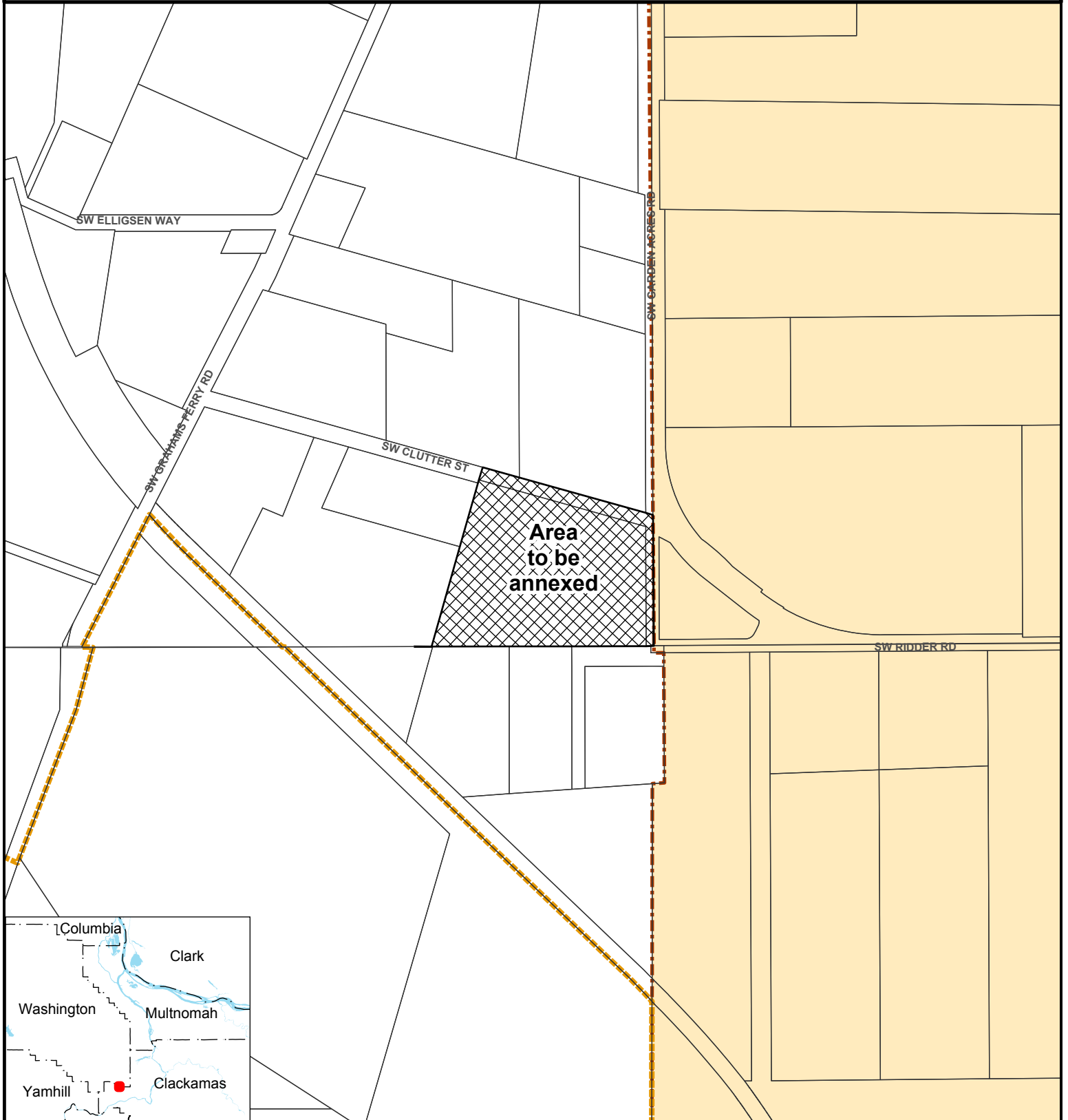
# Exhibit A

# Proposal No. AN 0620

3S1W03

Annexation to the Metro District Boundary

Washington County



**Metro**

Research Center  
600 NE Grand Ave  
Portland, OR 97232-2736  
(503) 797-1742  
<http://www.oregonmetro.gov/drc>



Taxlots



Urban growth boundary



Metro District Boundary



1:4,800

0 500 1,000 Feet

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.

## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 21-1458, FOR THE PURPOSE OF ANNEXING  
TO THE METRO DISTRICT BOUNDARY APPROXIMATELY 5.85 ACRES LOCATED AT  
10680 SW CLUTTER STREET IN WILSONVILLE

---

Date: January 13, 2021  
Department: Planning & Development

Prepared by: Tim O'Brien  
Principal Regional Planner

---

## BACKGROUND

CASE: AN-0620, Annexation to Metro District Boundary

PETITIONER: PDC Seattle LPIV BB/TH, LLC  
1821 Dock Street, Suite 100  
Tacoma, WA 98402

PROPOSAL: The petitioner requests annexation of land in Wilsonville to the Metro District Boundary.

LOCATION: The land in Wilsonville is approximately 5.85 acres in size, is located at 10680 SW Clutter Street, and can be seen in Attachment 1.

ZONING: The land is zoned for industrial use (PDI-RSIA).

The land was added to the urban growth boundary (UGB) in 2002 and is part of the Coffee Creek Master Plan area that was adopted by Wilsonville. The land must be annexed into the Metro District for urbanization to occur.

## APPLICABLE REVIEW CRITERIA

The criteria for an expedited annexation to the Metro District Boundary are contained in Metro Code Section 3.09.070.

### *3.09.070 Changes to Metro's Boundary*

*(E) The following criteria shall apply in lieu of the criteria set forth in subsection (d) of section 3.09.050. The Metro Council's final decision on a boundary change shall include findings and conclusions to demonstrate that:*

- 1. The affected territory lies within the UGB;*

### Staff Response:

The land in Wilsonville was brought into the UGB in 2002 through the Metro Council's adoption of Ordinance No. 02-969B.

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*

**Staff Response:**

The conditions of approval for Metro Ordinance No. 02-969B include a requirement that Washington County apply interim protection measures for areas added to the UGB as outlined in Urban Growth Management Functional Plan Title 11: Planning for New Urban Areas. Title 11 also requires that new urban areas be annexed into the Metro District Boundary prior to urbanization of the area. Washington County applied the Future Development-20 Acres (FD-20) designation to all the county land in Ordinance 02-969B to prevent premature urbanization of the expansion areas. The City of Wilsonville adopted the Coffee Creek Master Plan area in 2007. The property was annexed to the City of Wilsonville in September 2020. Thus the affected territory was subject to measures that prevented urbanization until the territory is annexed to the City and any necessary service districts.

3. *The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.*

**Staff Response:**

The subject property is part of the Coffee Creek Master Plan area adopted by the City of Wilsonville in 2007. The proposed annexation is required by Wilsonville as part of a land use application. The annexation is consistent with Wilsonville's Coffee Creek Master Plan and the Washington County-Wilsonville Urban Planning Area Agreement adopted in 2019. The inclusion of the property within the Metro District is consistent with all applicable plans.

## **ANALYSIS/INFORMATION**

**Known Opposition:** There is no known opposition to this application.

**Legal Antecedents:** Metro Code 3.09.070 allows for annexation to the Metro District boundary.

**Anticipated Effects:** This amendment will add approximately 5.85 acres in Wilsonville to the Metro District. The land is currently within the UGB and approval of this request will allow for the urbanization of the land to occur consistent with the Coffee Creek Master Plan.

**Budget Impacts:** The applicant was required to file an application fee to cover all costs of processing this annexation request, thus there is no budget impact.

## **RECOMMENDED ACTION**

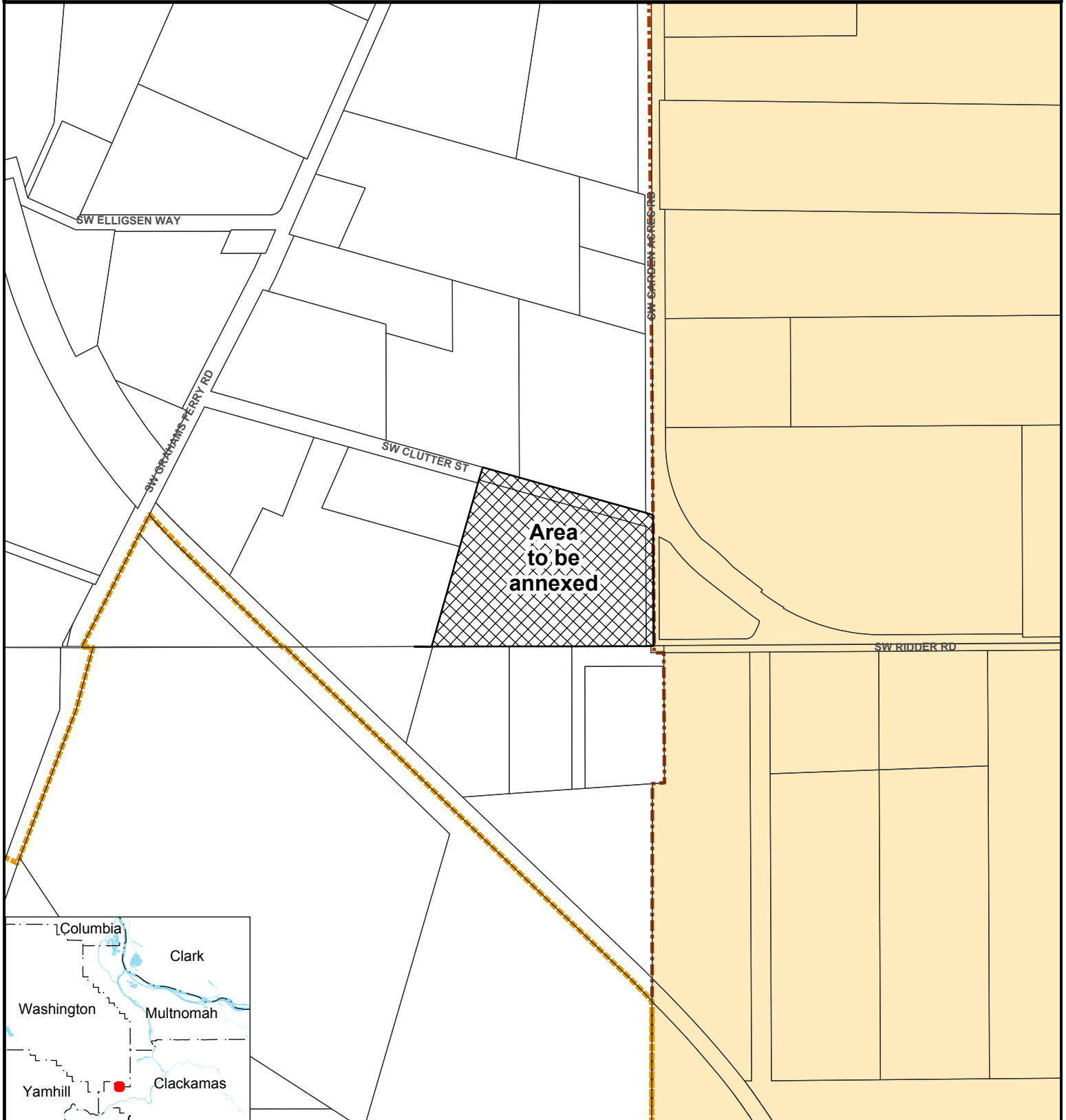
Staff recommends adoption of Ordinance No. 21-1458.

# Attachment 1 Proposal No. AN 0620

3S1W03

Annexation to the Metro District Boundary

Washington County



**Metro**

Research Center  
600 NE Grand Ave  
Portland, OR 97232-2736  
(503) 797-1742  
<http://www.oregonmetro.gov/drc>



Taxlots



Urban growth boundary



Metro District Boundary



1:4,800

0 500 1,000 Feet

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Agenda Item No. 6.2

**Ordinance No. 21-1459**, For the Purpose of Annexing to the Metro District Boundary  
Approximately 0.357 Acres Which Represents the Street Right-of-Way Portion for Property Located  
at 15455 SW Finis Lane in Tigard.

*Ordinance (Second Reading & Vote)*

Metro Council Meeting  
Thursday, February 4, 2021

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ANNEXING TO THE ) ORDINANCE NO. 21-1459  
METRO DISTRICT BOUNDARY )  
APPROXIMATELY 0.357 ACRES WHICH ) Introduced by Chief Operating Officer  
REPRESENTS THE STREET RIGHT-OF-WAY ) Marissa Madrigal with the Concurrence of  
PORTION OF A PROPERTY LOCATED AT ) Council President Lynn Peterson  
15455 SW FINIS LANE IN TIGARD

WHEREAS, the Tigard-Tualatin School District has submitted a complete application for annexation of 0.357 acres in the River Terrace area of Tigard (“the territory”) to the Metro District; and

WHEREAS, the Metro Council added the River Terrace area to the urban growth boundary (UGB), including the territory, by Ordinance No. 02-969B on December 5, 2002; and

WHEREAS, Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan requires annexation to the district prior to application of land use regulations intended to allow urbanization of the territory; and

WHEREAS, Metro has received consent to the annexation from the owners of the land in the territory; and

WHEREAS, the proposed annexation complies with Metro Code 3.09.070; and

WHEREAS, the Council held a public hearing on the proposed amendment on January 28, 2021; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Metro District Boundary Map is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance.
2. The proposed annexation meets the criteria in section 3.09.070 of the Metro Code, as demonstrated in the Staff Report dated January 13, 2021, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this \_\_\_\_ day of February 2021.

\_\_\_\_\_  
Lynn Peterson, Council President

Attest:

Approved as to form:

\_\_\_\_\_  
Jaye Cromwell, Recording Secretary

\_\_\_\_\_  
Carrie MacLaren, Metro Attorney

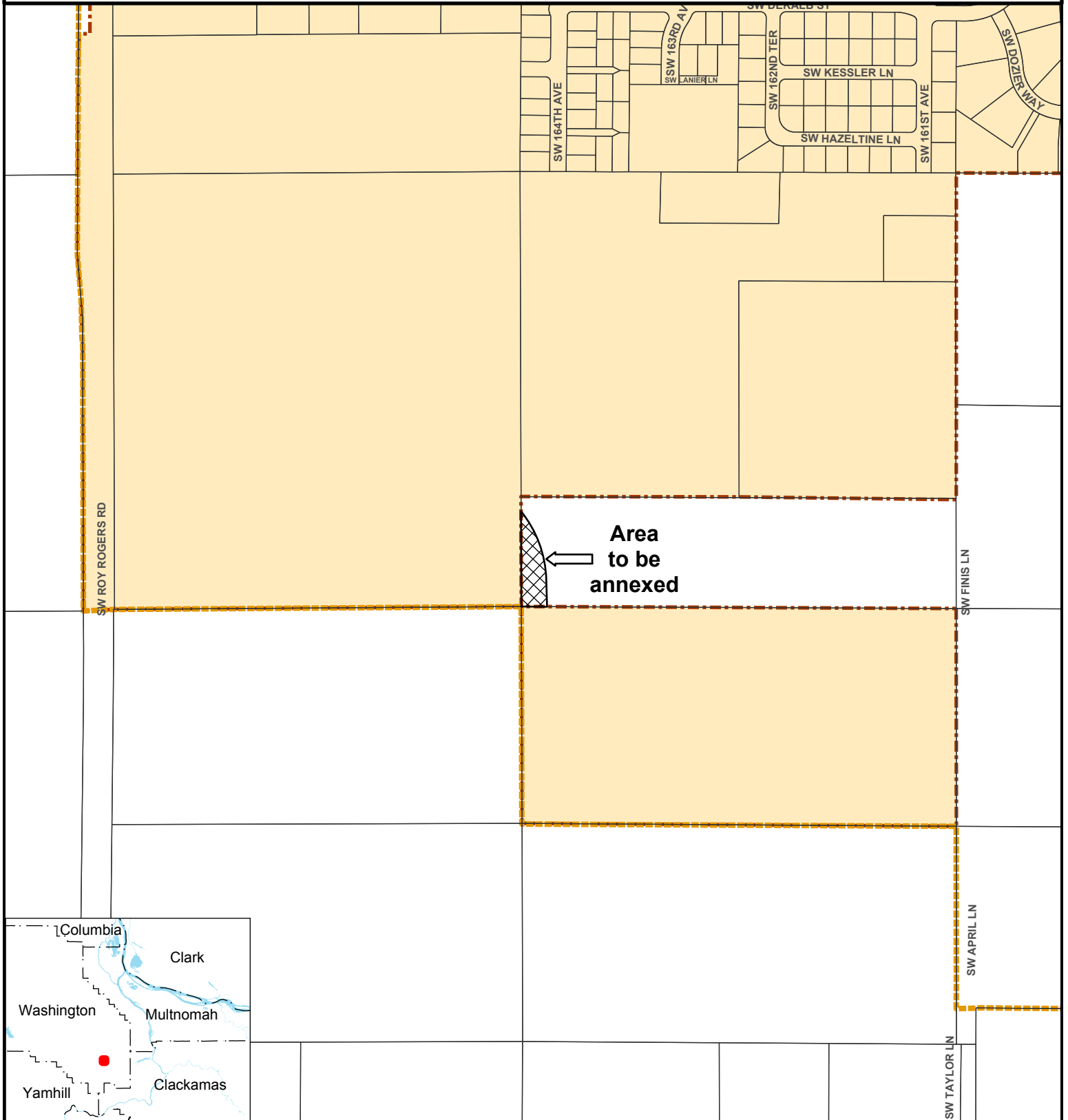
# Exhibit A

# Proposal No. AN 0720

2S1W08

Annexation to the Metro District Boundary

Washington County



Research Center  
600 NE Grand Ave  
Portland, OR 97232-2736  
(503) 797-1742  
<http://www.oregonmetro.gov/drc>

- Taxlots
- Urban growth boundary
- Metro District Boundary



1:4,800

0 500 1,000 Feet

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## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 21-1459, FOR THE PURPOSE OF ANNEXING TO THE METRO BOUNDARY APPROXIMATELY 0.357 ACRES WHICH REPRESENTS THE STREET RIGHT-OF-WAY PORTION FOR PROPERTY LOCATED AT 15455 SW FINIS LANE IN TIGARD

---

Date: January 13, 2021  
Department: Planning & Development

Prepared by: Tim O'Brien  
Principal Regional Planner

---

## BACKGROUND

CASE: AN-0720, Annexation to Metro District Boundary

PETITIONER: Tigard-Tualatin School District  
6960 SW Sandburg Street  
Tigard, OR 97223

PROPOSAL: The petitioner requests annexation of land in Tigard to the Metro District Boundary.

LOCATION: The parcel is located at 15455 SW Finis Lane and the portion of the parcel to be annexed is approximately 0.357 acres in size and can be seen in Attachment 1.

ZONING: The property is zoned for residential use (R-7) by Tigard. A minor land partition has been approved by the City of Tigard to allow for the street right-of-way.

The parcel was added to the urban growth boundary (UGB) in 2002 and is part of the River Terrace Community Plan area of Tigard. The land must be annexed into the Metro District for urbanization to occur.

## APPLICABLE REVIEW CRITERIA

The criteria for an expedited annexation to the Metro District Boundary are contained in Metro Code Section 3.09.070.

### *3.09.070 Changes to Metro's Boundary*

*(E) The following criteria shall apply in lieu of the criteria set forth in subsection (d) of section 3.09.050. The Metro Council's final decision on a boundary change shall include findings and conclusions to demonstrate that:*

- 1. The affected territory lies within the UGB;*

### Staff Response:

The parcel was brought into the UGB in 2002 through the Metro Council's adoption of Ordinance No. 02-969B. Thus the affected territory is 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*

**Staff Response:**

The conditions of approval for Ordinance No. 02-969B include a requirement that Washington County apply interim protection measures for areas added to the UGB as outlined in Urban Growth Management Functional Plan Title 11: Planning for New Urban Areas. Title 11 requires that new urban areas be annexed into the Metro District Boundary prior to urbanization of the area. Washington County applied the Future Development 20 (FD-20) zone to the expansion area. The subject property was annexed to Tigard in January 2013 and the River Terrace Community Plan was adopted in 2014. The property is currently being annexed to Clean Water Services. These measures ensured that urbanization would occur only after annexation to the necessary service districts is completed.

3. *The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.*

**Staff Response:**

The parcel proposed for annexation is part of Tigard's River Terrace Community Plan Area, adopted by the City of Tigard in 2014. The proposed annexation is consistent with the community plan and is required by Tigard to provide access to the school site. The inclusion of the property within the Metro District is consistent with applicable cooperative urban service agreements.

## **ANALYSIS/INFORMATION**

**Known Opposition:** There is no known opposition to this application.

**Legal Antecedents:** Metro Code 3.09.070 allows for annexation to the Metro District boundary.

**Anticipated Effects:** This amendment will add one parcel totaling approximately 0.357 acres to the Metro District. The land is currently within the UGB and approval of this request will allow for the development of a street consistent with the River Terrace Community Plan.

**Budget Impacts:** The applicant was required to file an application fee to cover all costs of processing this annexation request, thus there is no budget impact.

## **RECOMMENDED ACTION**

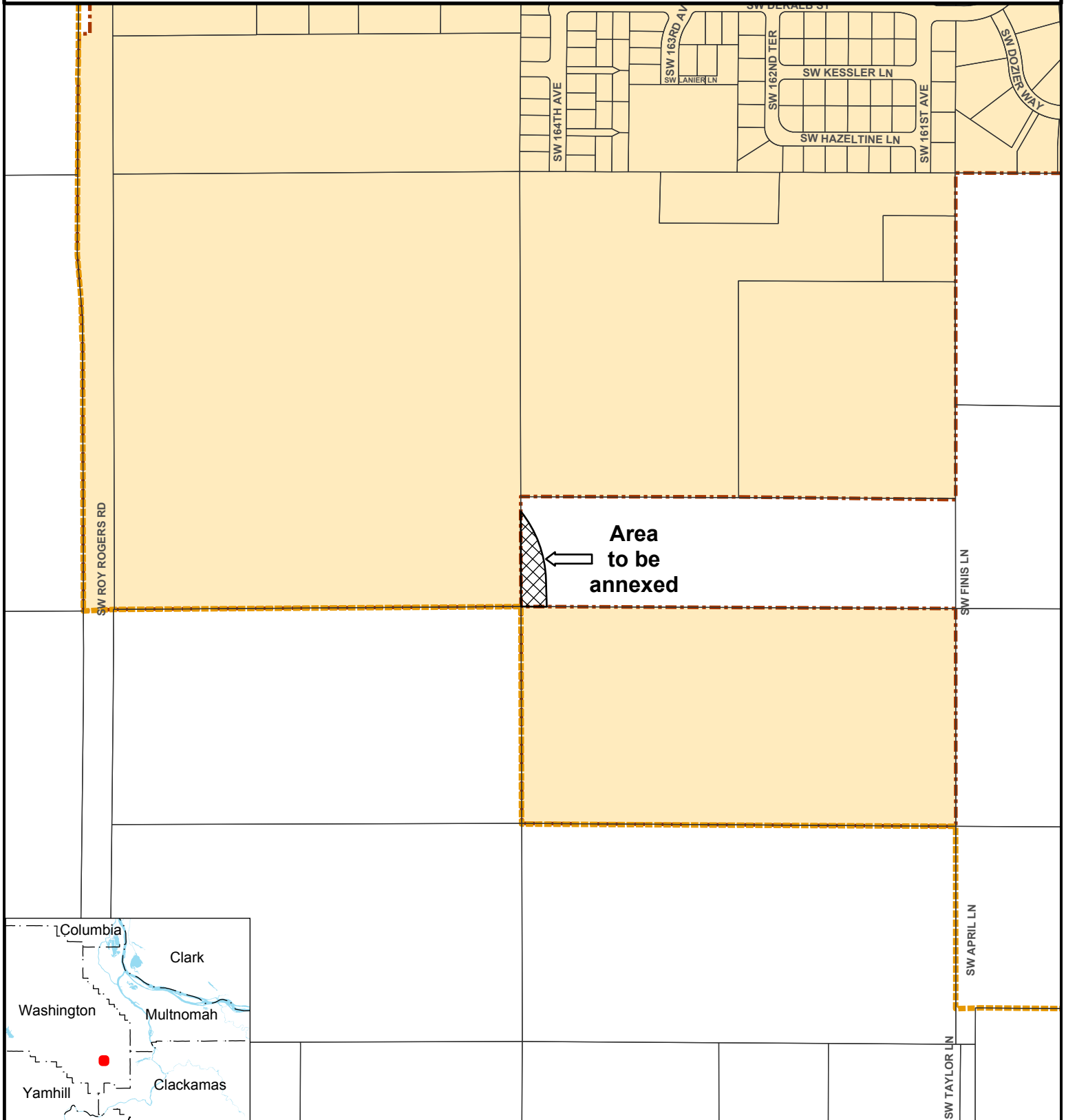
Staff recommends adoption of Ordinance No. 21-1459.

# Attachment 1 Proposal No. AN 0720

2S1W08

Annexation to the Metro District Boundary

Washington County



**Metro**

Research Center

600 NE Grand Ave

Portland, OR 97232-2736

(503) 797-1742

<http://www.oregonmetro.gov/drc>



Taxlots



Urban growth boundary



Metro District Boundary



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Materials following this page were distributed at the meeting.

## Examples of how operational cost could be covered

	No new tons	Metro share increase = 50% wet + 7.5% dry waste	Metro share increase = 60% wet + 15% dry waste
Metro tonnage charge increase (per ton)	\$12 – 18	\$3 – 9	\$0 – 3
Regional System Fee increase (HHW) (per ton)	\$2 – 4	\$2 – 4	\$2 – 4

Debt service estimates vary widely. Rate impacts depend on scale of facility construction, tonnage estimates and allocation methodology.

02/03/2021

Estimada presidente Lynn Peterson y miembros del comité de comisionados tengan todos ustedes muy buena tarde. Mi nombre es Milka Mendez, resido en Forest Grove desde hace 15 años. En los últimos años he estado participando activamente en organizaciones sin fines de lucro que abogan para que nuestras comunidades cuenten con recursos y servicios necesarios para el beneficio de sus habitantes.

Hoy estoy frente a ustedes para apoyar firmemente la compra de la propiedad situada en la 4th avenida y Holladay street en Cornelius con el propósito de construir un centro de transferencia.

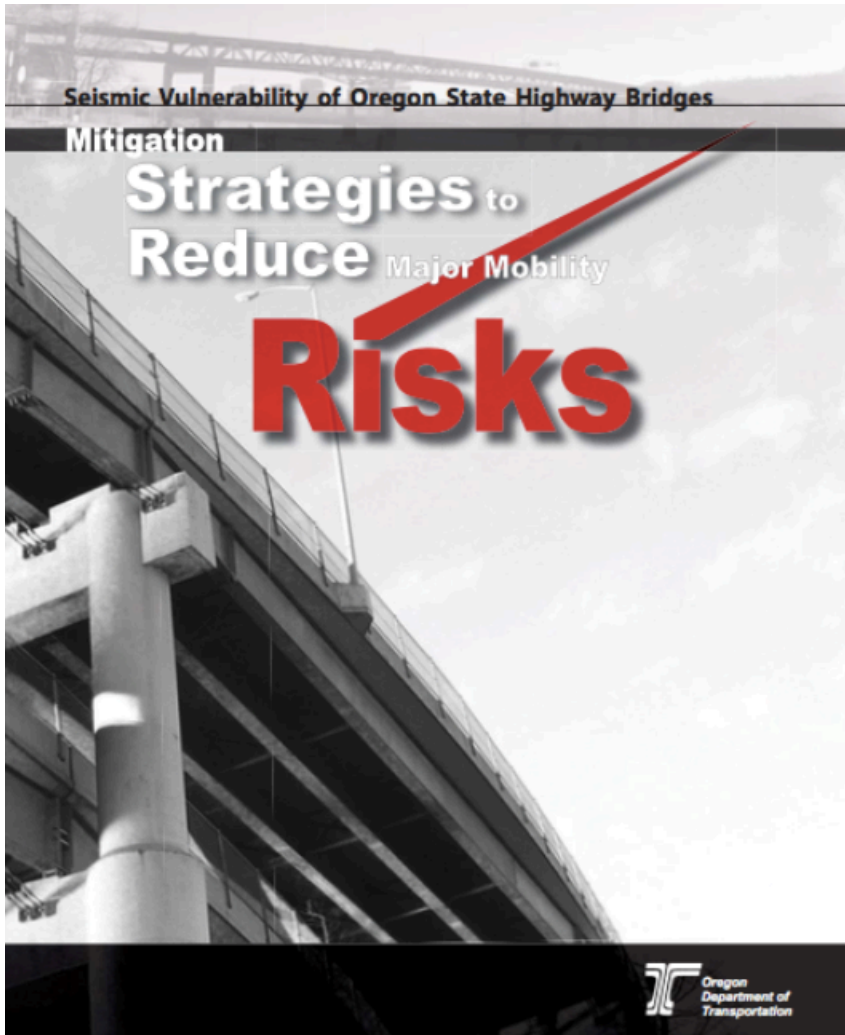
Como experto en reciclaje y promotor ambiental quiero enfatizar la necesidad de un centro de transferencia en mi comunidad que nos permita deshacernos de materiales, productos y objetos que contaminan el ambiente de manera segura, apropiada, facil y economica . Como participante del grupo de asesores comunitarios tuve la oportunidad de traer a tema de conversación las dudas y preocupaciones de mis vecinos, amigos y miembros de agencias en las que participó como voluntaria acerca de este proyecto.

Después de aclarar las dudas y responder a las preocupaciones de algunos miembros de mi comunidad me entusiasma apoyar la inversión de la compra de la propiedad para la construcción del Centro de Transferencia. Doy mi voto de confianza al proyecto sabiendo que contará con la tecnología avanzada para reducir los ruidos, evitar los malos olores, prevenir plagas y que respetara las reglas de salud, seguridad y justicia ambiental.

Considero que traerá muy buenos beneficios a los habitantes y que será una muy buena oportunidad para engrandecer a nuestra comunidad y seguir promoviendo el hábito de reducir, reusar, reciclar, reparar, y compartir .

Presidente Lynn Peterson y miembros del comité de comisionados les invito a apoyar la propuesta de la compra de la propiedad antes mencionada. Gracias por su tiempo y atención.

Reference Materials for  
Robert Liberty's Testimony to the Metro Council February 4, 2021



**Deleted:** By Robert Liberty. City Observatory is pleased to publish this guest commentary from Robert Liberty, who is director of the Sustainable Cities Institute and Portland State University and a former Councilor of Portland's Metro regional government and who has had more than 30 years of experience with transportation policy and project development including serving on the Metro Council during the period it approved the Columbia River Crossing project.[¶](#)

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**Deleted:** Much of the Pacific Northwest lives in palpable dread of the next Cascadia Subduction Earthquake, a massive seismic event that has occurred repeatedly over thousands of years, according to the best available interpretations of the geologic record. The Cascadia fault line, which runs along the coasts of Oregon and Washington could produce a 9.0 quake that would devastate unreinforced buildings and other infrastructure.[¶](#)

# Full Length Cascadia Subduction Zone Earthquake

Figure 5.10 : Scenario ShakeMaps – (a) CSZ magnitude 9.0; (b) CSZ magnitude 8.3 North; (c) CSZ magnitude 8.3 South

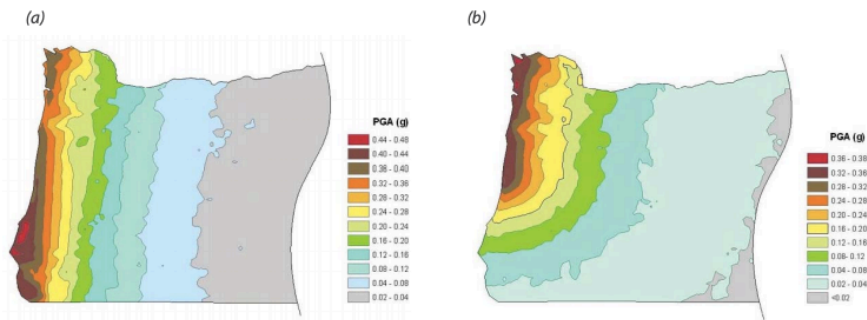


TABLE 5.7 Component Damage State [of State Highway Bridges] for a Magnitude 9.0 Cascadia Subduction Zone Scenario Earthquake

Figure 5.11 : Component Damage States for a Magnitude 9.0 Cascadia Subduction Zone Scenario EQ

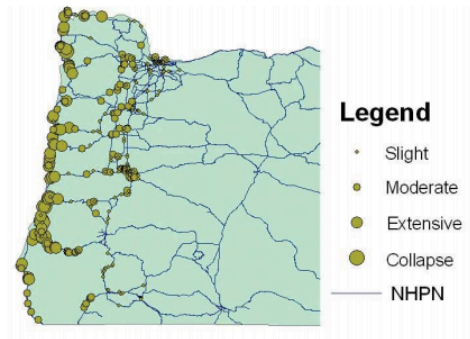


Table 5.7 : Summary of Seismic Hazard Analysis

Event	Route	Damage States				Economic loss (in Million \$)	
		Slight	Moderate	Extensive	Complete	Bridge Repair/Replacement	Travel Time Loss
I-5 (Mult-Clack)		5	1	0	0	\$8	

Enlargement of table 5.7 excerpt

Table5.7 : Summary of Seismic Hazard Analysis

Event	Route	Damage States			
		Slight	Moderate	Extensive	Complete
	I-5 (Mult-Clack)	5	1	0	0

Economic loss (in Million \$)	
Bridge Repair/Replacement	Travel Time Loss
\$8	

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Table 5.7 : Summary of Seismic Hazard Analysis

Event	Route	Damage States				Economic loss (in Million \$)	
		Slight	Moderate	Extensive	Complete	Bridge Repair/Replacement	Travel Time Loss
	I-5 (Mult-Clack)	5	1	0	0	\$8	
	I-5 (Clack-Lane)	18	3	1	0	\$14	
	I-5 (Lane-Jacks)	22	0	0	0	\$5	
	I-84	10	0	0	0	\$3	
	US-101	7	14	35	5	\$684	
	US-26	7	4	0	0	\$8	
	I-205	8	2	0	0	\$10	
	I-405	7	0	0	0	\$2	
	US-30	5	3	2	0	\$26	
	US-20	4	3	5	0	\$19	
	OR-38	3	2	1	0	\$9	
	OR-42	4	13	13	1	\$147	
	Others	64	61	7	0	\$145	
	<b>Total</b>	<b>164</b>	<b>106</b>	<b>64</b>	<b>6</b>	<b>\$1,080</b>	<b>\$177</b>

Table 6.2. includes the Phase I and Phase II retrofit Costs for 95 Bridges over and along I-5 from Columbia River to Marion County Line: \$446 million, less than Oregon's proposed contribution to the Columbia River Crossing.

Table 6.2 : Preliminary Route Seismic Retrofit Prioritization Ranking

Route	Route Length Traffic (in miles)	Average Daily Bridges (in vehicles)	Number of Bridges	Maximum Earthquake Loss (in million\$)	Phase I Retrofit Cost (in million\$)	Phase II Retrofit Cost (in million\$)	Total Retrofit Cost (in million\$)	Pre-liminary Priority Index
I-5 (Multnomah-Clackamas)	27.84	155,800	95	\$511.78	\$125.00	\$321.00	\$446.00	1

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**Deleted:** As any salesperson will tell you, fear of a possible catastrophe is a great selling proposition. So it's little surprise that the Oregon Department of Transportation (ODOT) has trotted out concerns about the next Cascadia quake as a reason to pony up billions of dollars to replace the I-5 bridges across the Columbia River that connect Portland Oregon to Vancouver Washington. According to [Oregon Public Broadcasting](#), ODOT's Assistant Director Travis Brouwer claimed the I-5 bridges: "would likely collapse in a major earthquake." That is sounds scary, but the trouble is, there is no basis for that statement the claim isn't true, at least not according to the technical work commissioned by . . . the Oregon Department of Transportation. Brouwer's claim is directly contradicted by a 2009 study ODOT commissioned of the seismic risk to bridge structures: [Seismic Vulnerability of Oregon State Highway Bridges: Mitigation Strategies to Reduce Major Mobility Risks](#).

In the study "bridges" include overpasses, viaducts, ramps, - any elevated structure, whether over a water body or not. The study modeled the impact of several earthquakes in Oregon; one near Klamath Falls, another near Salem, a major earthquake under the West Hills of Portland and magnitude 8.3 and 9.0 Cascadia Subduction Zone earthquakes (9.50 is the largest possible quake highest magnitude earthquake ever recorded.)

According to the study, none of those earthquakes cause the I-5 bridges to collapse.

In the Cascadia Subduction Zone quake of 9.0 magnitude, on I-5 in Multnomah and Clackamas County, five bridges would suffer "slight" damage and one would suffer "moderate" damage with the repair or replacement cost coming to \$8 million. (Page 48. There is also a hard to read map showing damage levels on the bridges.)

In the 8.3 Cascadia Subduction Zone earthquake, on I-5 in Multnomah and Clackamas Counties, one bridge is slightly damaged, with the repair cost estimated at \$400,000. (Report page 49.)

The most damaging quake is a 6.5 West Hills quake. In the Multnomah-Clackamas section of I-5 that would cause 8 bridge structures slight damage, 11 bridge structures moderate damage, 10 bridge structures extensive damage and one bridge structure would suffer "complete" damage, which I assume means collapse. Page 50.

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