



600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Tuesday, April 9, 2024

10:30 AM

**Metro Regional Center, Council Chamber,
<https://zoom.us/j/615079992> Webinar ID:
615 079 992 or 888-475-4499 (toll free)
<https://www.youtube.com/watch?v=-yuNc9Qjq3A>**

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber.

You can join the meeting on your computer or other device by using this link:

<https://www.youtube.com/watch?v=-yuNc9Qjq3A>

10:30 Call to Order and Roll Call

10:35 Work Session Topics:

10:35 2024 Urban Growth Management: Preliminary Growth
Capacity Estimates

[24-6037](#)

Presenter(s): Eryn Kehe, Metro
Ted Reid, Metro
Clint Chiavarini, Metro
Becky Hewitt, ECONorthwest

Attachments: [Staff Report](#)

11:20 Chief Operating Officer Communication

11:25 Councilor Communication

11:30 Adjourn

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act , Section 504 of the Rehabilitation Act and other statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit oregonmetro.gov/civilrights or call 503-797-1890. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1890 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. Individuals with service animals are welcome at Metro facilities, even where pets are generally prohibited. For up-to-date public transportation information, visit TriMet's website at trimet.org

Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hạ ngôn ngữ, xin gọi số 503-797-1700 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường), trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

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 або Якщо вам потрібен переклад 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.

Metro 的不歧視公告

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。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 heshiid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshiid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullan dadweyne, wac 503-797-1700 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqo ka kulan karka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1700를 호출합니다.

Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。またでお電話くできる公開会議で言語通訳を必要とされる方は、Metroにご要請に対応できるように、公開会議の5営業日前までに503-797-1700（平日午前8時～午後5時）までお電話ください。

សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro
ឬដើម្បីទទួលពាក្យបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ
www.oregonmetro.gov/civilrights។

បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គ

ប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច
ថ្ងៃធ្វើការ) ជ្រាបពីវិធី
ថ្ងៃធ្វើការ មន្ត្រីប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

إشعار بعدم التمييز من Metro

تحتترم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإدعاء شكوى ضد التمييز، يرجى زيارة الموقع الإلكتروني www.oregon.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، اطلب عليك الاتصال مقدماً برقم الهاتف (503) 797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الإثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1700 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights . Si necesita asistencia con el idioma, llame al 503-797-1700 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1700 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1700 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspundă în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev sawv ntsox txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwj ua ntej ntawm lub rooj sib tham.

**2024 Urban Growth Management:
Preliminary Growth Capacity Estimates**
Presentation

Metro Council Work Session
Tuesday, April 9, 2024

2024 URBAN GROWTH MANAGEMENT: PRELIMINARY GROWTH CAPACITY ESTIMATES

Date: March 19, 2024
Department: Planning, Development, and
Research
Meeting Date: April 9, 2024

Prepared by: Ted Reid, Principal Regional
Planner ted.reid@oregonmetro.gov
Presenter(s): Clint Chiavarini (he, him);
Becky Hewitt: ECONorthwest (she, her);
Eryn Kehe (she, her); Ted Reid (he, him);
Length: 45 minutes

ISSUE STATEMENT

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

A central aspect of the work program is estimating how much room the current UGB has for housing and employment growth. To complete this analysis staff must determine the growth capacity of vacant and partially vacant lands as well as lands that may be used for redevelopment and infill.

Because this work involves, not just inventorying land, but also forecasting how lands may get developed in the future, there is a degree of uncertainty. Staff seeks to provide the Metro Council with the best available information through several means:

- Reviewing methodologies and results with local jurisdictions and subject area experts
- Seeking to understand the trends and market factors that may influence future development
- Recognizing sensitivity to assumptions and expressing capacity results as a range

At the April work session, Metro staff will summarize and answer questions regarding:

- How the UGB capacity analysis informs the Metro Council's growth management decision
- Methods for estimating UGB capacity
- Preliminary UGB capacity estimates for housing
- Sources of uncertainty in estimating housing capacity
- Next steps for local review

ACTION REQUESTED

Update the Council on implementation of the work program for the 2024 urban growth management decision, focusing on the preliminary residential capacity analysis.

IDENTIFIED POLICY OUTCOMES

State law and regional policies lay out an intention to make efficient use of land inside the UGB and to only expand the UGB if there is a demonstrable regional need to accommodate expected housing or job growth. The Metro Council makes this growth management decision for the region after significant engagement. To ensure that areas added to the UGB are ready for growth, it is the Metro Council's policy to only expand the UGB in urban reserves that have been concept planned by a city or a county. Metro provides grant funding for local jurisdictions to complete concept planning.

POLICY QUESTION(S)

- Does the Council have any questions for staff about preliminary UGB capacity estimates?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

The Council may provide staff with direction on:

- Advice that would be useful from MPAC or CORE
- Updates that the Council would like to have going forward

STAFF RECOMMENDATIONS

- Staff recommends proceeding with the work program

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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

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

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

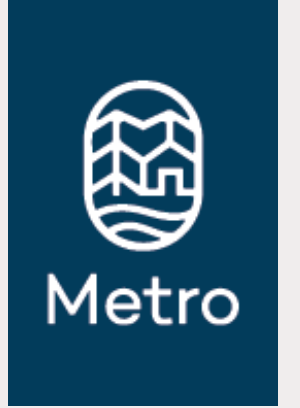
BACKGROUND

At its March 7, 2023 work session, the Council directed staff to begin implementing the work program for the 2024 urban growth management decision. The Council also directed staff to periodically update the Council on work program implementation, particularly related to engagement activities.

ATTACHMENTS

- Is legislation required for Council action? ☐ Yes ☒ No
- If yes, is draft legislation attached? ☐ Yes ☐ No
- What other materials are you presenting today?
 - UGM project timeline and tentative committee engagement schedule

Materials following this page were distributed at the meeting.



Urban growth management update: Preliminary capacity results

**Council Work Session
April 9, 2024**

Technical work and analysis:
Developing the urban growth report

- Buildable land inventory (BLI)
- Regional forecast
- Capacity analysis
- Employment trends and site characteristics
- Housing needs analysis
- Residential readiness analyses
- Draft urban growth report (UGR)

City expansion
proposals

- Letters of interest
 - Expansion proposals
- 2040 planning and
development grants
available*

Metro Council
decision

- Consider Metro staff and advisory group recommendations
- Public hearings
- Policy direction
- Final decision

Nov 2022 - July 2024

Dec 2023 - April 2024

Aug 2024 - Dec 2024

Residential
readiness
analyses

Capacity analysis -
begin BLI and regional
proforma model

Draft capacity
analysis available
for local review

Regional
forecast
updated

Housing
needs
analysis

Draft UGR public
comment period

Public
hearing

Letters of
interest due

You
are
here

Proposals
due

Advisory
group input

Final UGB
decision

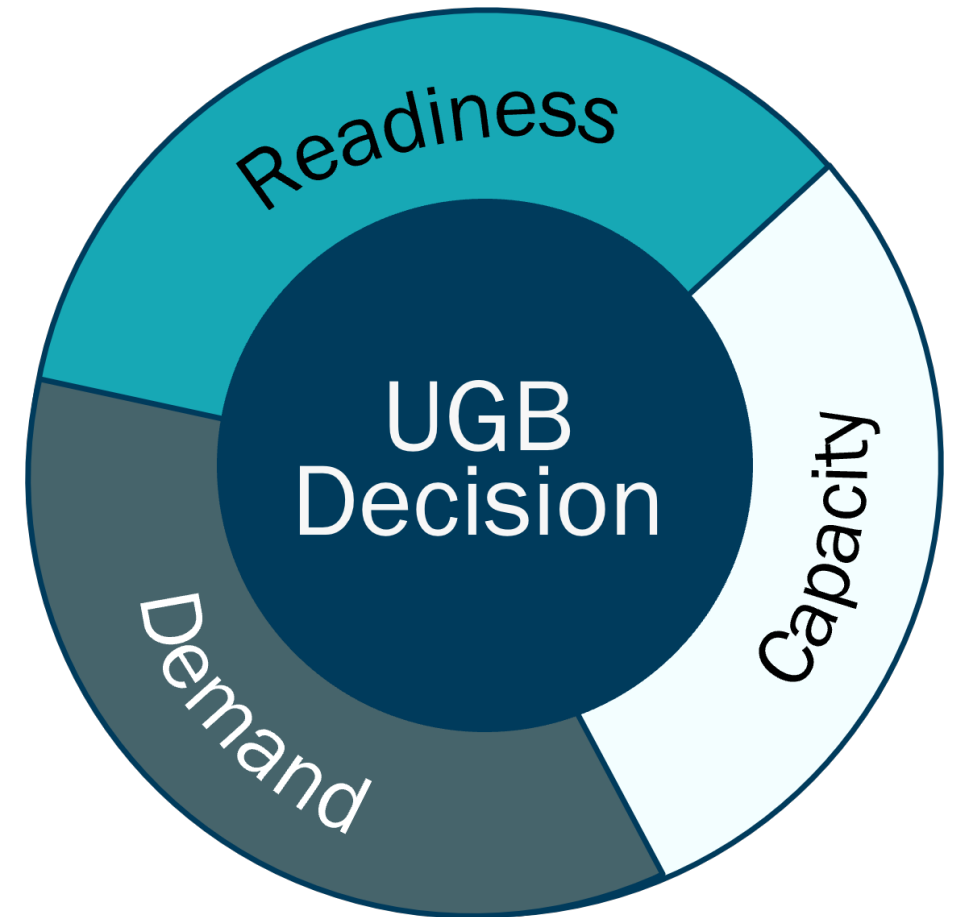
Engagement

- MTAC
- MPAC
- CORE
- Land Use Technical Advisory Group
- Jurisdictional outreach
- Urban growth report roundtable
- Youth cohort
- Interest group presentations

Project timeline

A decision support tool

The Urban Growth Report (UGR) is a decision-making tool for the Metro Council.



Some things to keep in mind about the capacity analysis

- Volatility of market factors
- Analysis on a regional scale
- Results presented as a range
- These results are preliminary and will undergo local review for additional refinement

Capacity estimates based on:

- Actual redevelopment that occurred – “backcasting”
- Trends in density and mix of housing types
- Market factors that may impact future development
- 20-year time horizon

Where do we estimate capacity?

Vacant and partially
vacant land



Land used for redevelopment
and infill

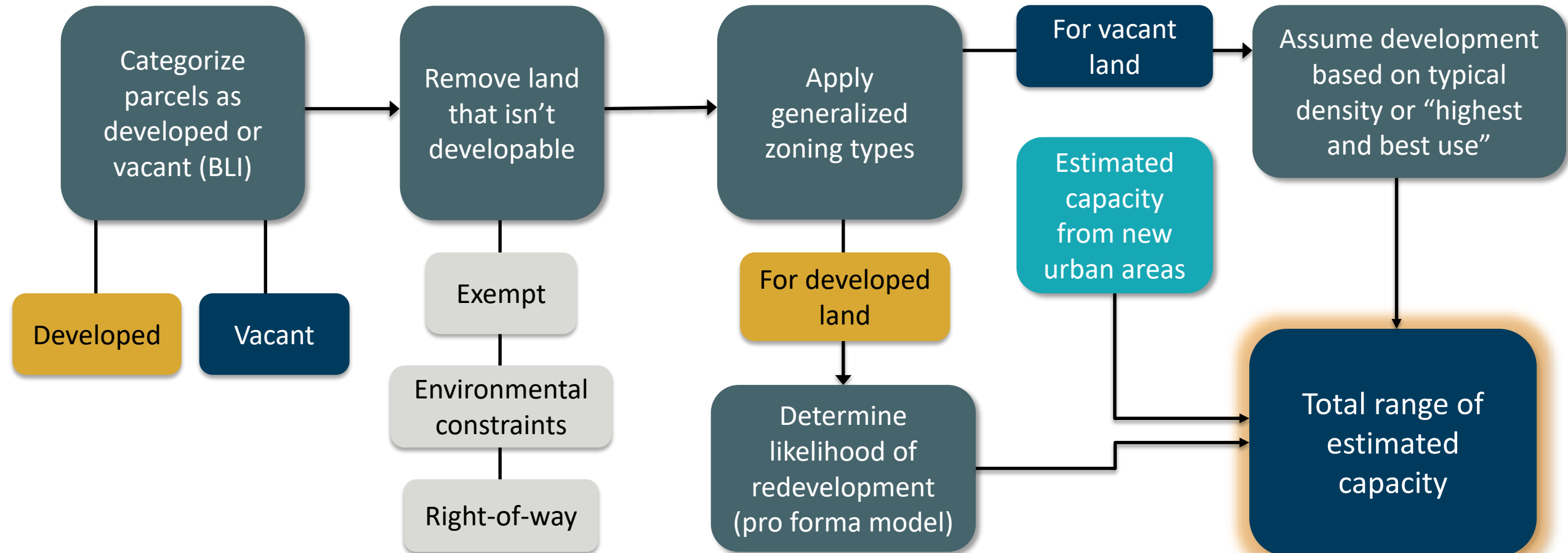


Land in concept planned areas
without urban level zoning



*All capacity calculations are done on lands within the existing urban growth boundary
and summarized on a regional scale*

How do we estimate capacity?

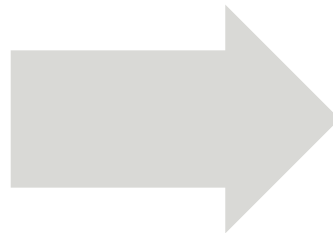


Questions?

Pro forma model variables

How viable is (re)development?

- Rents & sale prices
- Construction costs
- Cap rates* (linked to interest rates)



What are the odds of redevelopment?

- Redevelopment rate compared to historic trends based on feasibility results

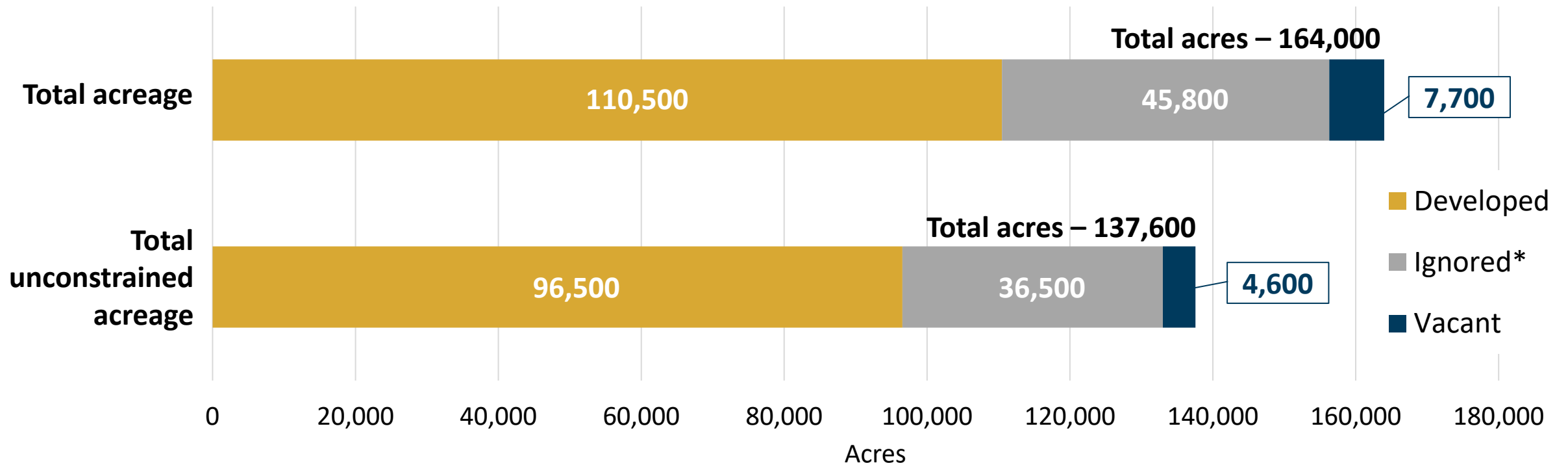
**Cap rate = relationship between the revenue an income-generating property produces and its sale price. Higher cap rate means properties are worth less at the same revenues.*

Notes about the pro forma model

- Used to understand what types of (re)development are most likely to be market feasible
- Only accounts for market rate development
- Does not account for additions or conversions where the original home is preserved
- Does not account for local incentives, policies, or interventions to spark redevelopment in the market

Results of the Buildable Lands Inventory (BLI)

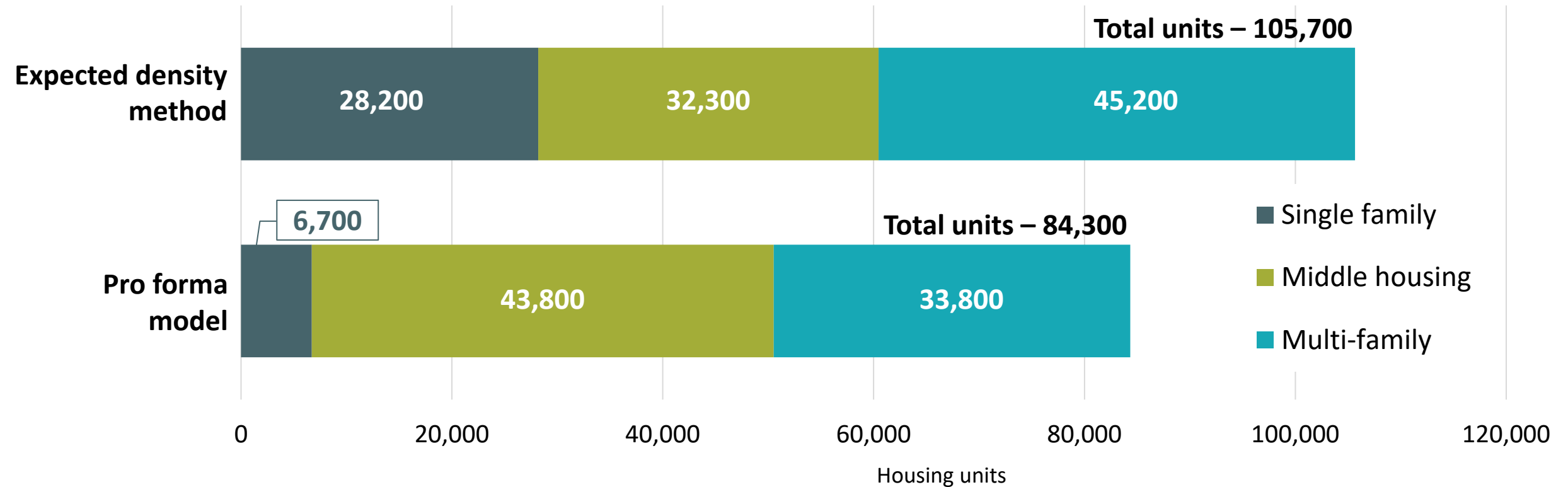
Residential land within the existing UGB by type



**Ignored taxlots include right-of-way, tax exempt, parks, open space, HOA, golf courses, rail property, schools, and small taxlots under 1000 sq. ft.*

***Unconstrained land removes environmental constraints such as flood plains, wetlands, steep slopes, and important habitat*

Vacant land – preliminary results

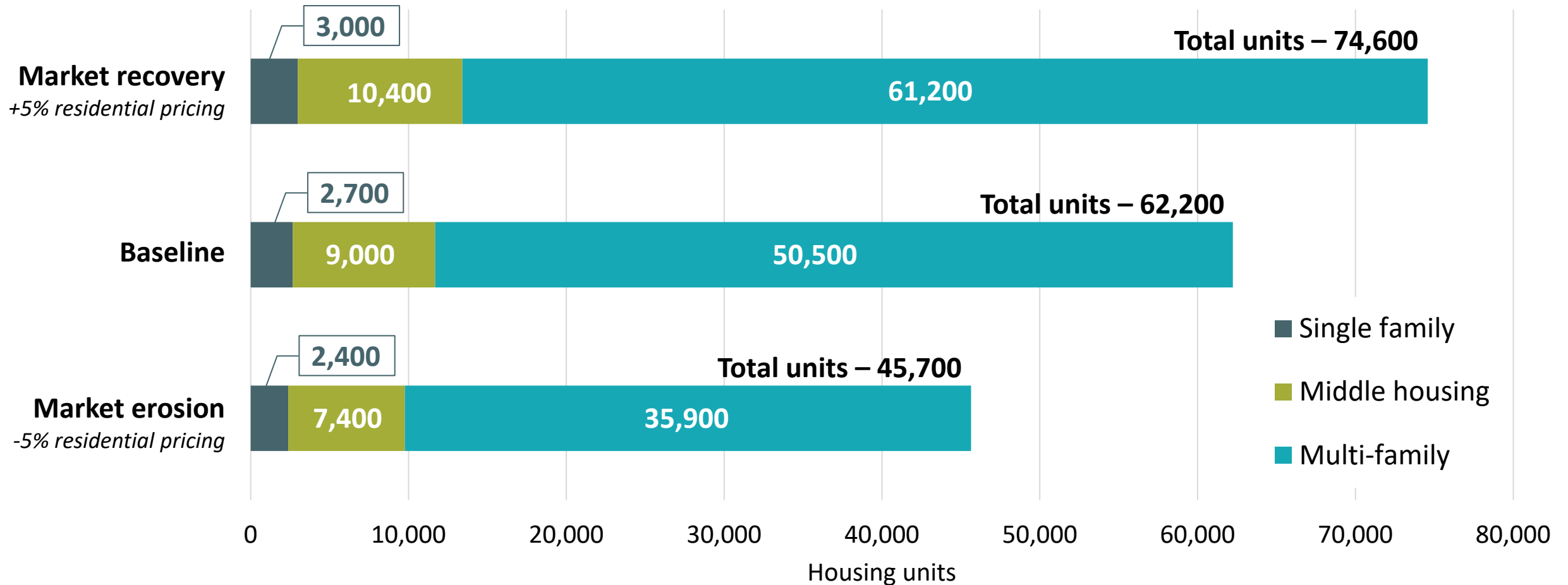


Note: Small lot detached units are counted under the “single family” category rather than middle housing, due to the market response to this housing type

Redevelopment – establishing the “baseline”

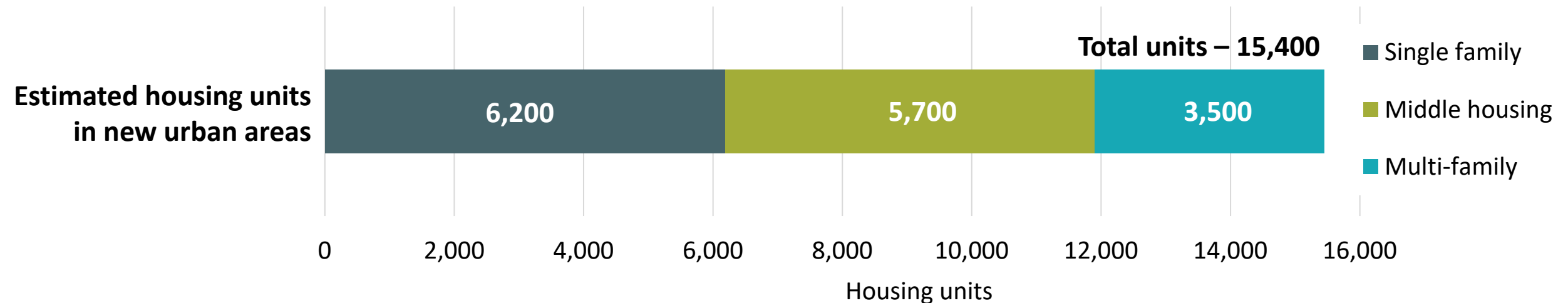
- Market conditions assume modest recovery
 - Interest rates and cap rates come back down somewhat
 - Relationship between rents/prices & construction costs remains similar to today
- Redevelopment rates aligned with trends over last 20 years

Redevelopment – preliminary results



New urban areas

- Areas that have been added to the UGB but have not yet received urban level zoning – Frog Pond, Cooper Mountain, Kingston Terrace, River Terrace 2.0, Clermont Wilsonville
- Capacity based on local concept plan designations



Additional future adjustments to capacity results



Additional capacity

- Office to residential conversion
- ADUs and middle housing conversion



Less capacity

- Second homes and vacation rentals



STAND-ALONE DETACHED



ADU OVER A GARAGE

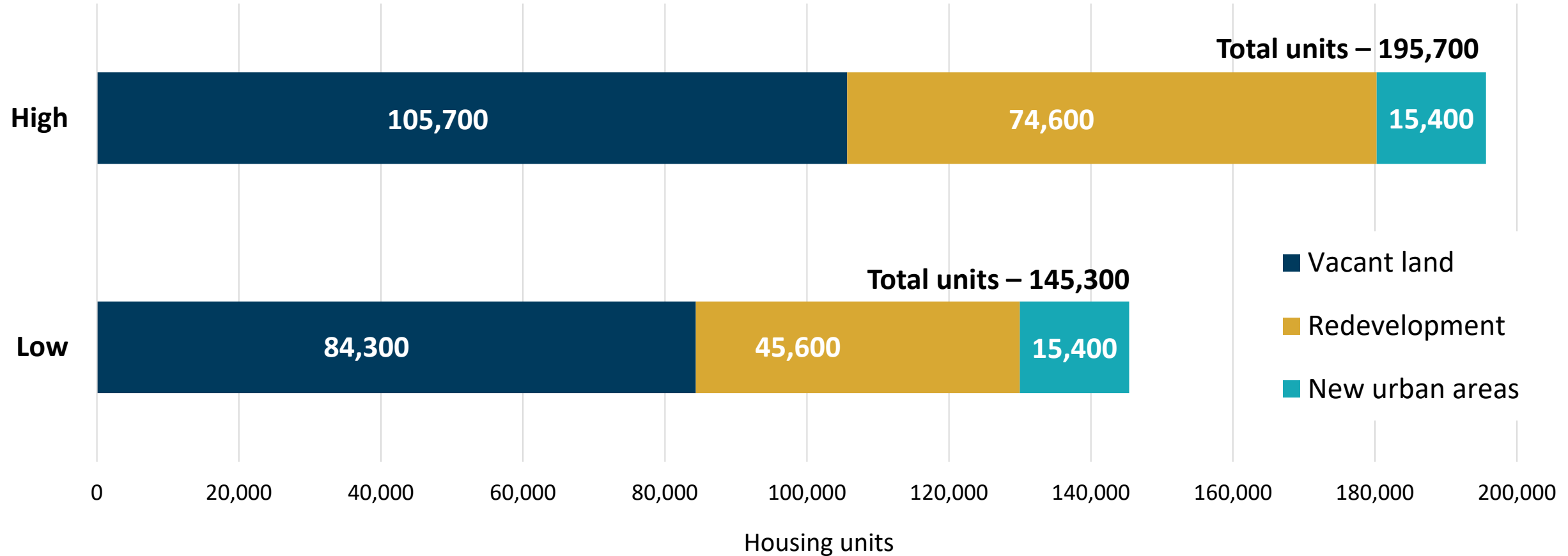


ATTACHED ADU



BASEMENT ADU

Combined preliminary capacity results



Questions?

oregonmetro.gov

