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Metro

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Date: Wednesday, July 18, 2018
To: Council President Hughes
Metro Councilors
MPAC
MTAC
From: Rebecca Hamilton, Regional Planner
Subject: City Readiness Advisory Group (CRAG) comments on UGB expansion proposals

Beginning this summer, the Metro Council and its advisory committees will examine the population and jobs forecast for greater Portland to inform whether the urban growth boundary needs to expand. Metro has also asked cities to prepare information that will help determine where expansion should happen if it's needed.

To answer this question, Metro asked the cities of the region to submit proposals on where and how their communities would expand into new areas. Four cities (Beaverton, Hillsboro, King City and Wilsonville) submitted proposals to expand greater Portland's urban footprint by 2,181 acres with hopes for developing about 9,200 homes in these areas.

The City Readiness Advisory Group (CRAG), a citizen advisory group convened by Metro, was charged with providing feedback to MTAC, MPAC and Council on the strengths and weaknesses of each proposal. Members of the CRAG were selected for their expertise in residential and commercial development, affordable housing, equity, parks and natural spaces, multimodal transportation, land use and housing supply.

The group reviewed the city proposals in light of the expectations laid out in Title 14 of Metro's code (and its Administrative Guidance), specifically cities' efforts to:

- Support development of the proposed expansion area with a viable plan to pay for needed pipes, parks, roads and sidewalks.
- Ensure that the expansion will result in the development of needed housing.
- Enhance the role of existing centers, corridors, station communities and main streets (removal of barriers to mixed-use, pedestrian-friendly and transit supportive development).
- Preserve and increase the supply and diversity of affordable housing in existing urban areas.
- Advance the region's six desired outcomes.

The CRAG met on two occasions: an orientation meeting on June 4th, 2018 to provide background on the proposals and outline the review process, and then again on June 26th, 2018 to discuss their reviews. Council President Tom Hughes led both meetings and facilitated the group discussion at the second meeting.

Several themes and issues arose in the discussion of each of the four proposals. These are listed below for the Council's consideration:

- The proposals did not show a connection between their Housing Needs Analysis and the amounts, types, tenancy, and price ranges of the housing proposed in their concept plans.
- CRAG members desired a greater mix of housing types to address housing needs and create a more diversified housing supply.
- The net residential densities proposed in these concept plans would be unlikely to support transit.
- The proposals did not discuss if or how affordable housing would be incorporated into the proposed expansion areas or list strategies for how that could be accomplished.

The strengths and weaknesses of each individual proposal, as identified by the CRAG, have been summarized on the following pages.

Wilsonville

	Strengths	Weaknesses
Development feasibility	Because the land is flat, it will be easy to develop and would likely have lower infrastructure costs compared to other proposed expansions.	No guarantee that homebuilders will pass on lower infrastructure costs to buyers in sales prices rather than listing units at going price.
	As an extension of Frog Pond West, the proposed expansion area could build on existing infrastructure connections.	Timing and funding of some key transportation elements is unsure (e.g., Boeckman Bridge, Boeckman Road and Stafford Road).
	Lower proposed density may mitigate traffic impacts on Wilsonville Road	
	Overall high degree of development readiness, with many infrastructure pieces and amenities (such as new schools) already in place.	
Housing needs	Planned housing mix would allow the city to provide more SF units to round out their housing supply	It was unclear that the focus on SF housing relates to need, or why the city believes that homeownership is preferred over rental units.
	Concept plan provides for a diversity of single-family housing with up to 8 different housing types and lot sizes	Opportunity to incorporate missing middle housing not taken; this adds another subdivision on to another subdivision. Flexible mixed zoning desired.
	City has strong track record of investing in multifamily and diverse single-family housing types.	City's proposed strategy of "gradually increase housing choice and densities" is out of synch with the strong demand for new and diverse housing options throughout the region.

Affordable Housing	City has some tools in places to encourage development of market-rate affordable housing, such as a property tax exemption for MF properties offering subsidized rents and ADU SDC waiver	Unclear as to how much they've done to promote affordable housing thru direct policy/funding historically, and could likely be making a bigger investment in preserving/creating new affordable units for families making less than 80% of the median family income.
	City has successfully built new housing units at a wide variety of price points – not necessarily affordable to households making below 80% of the median family income, but affordable to moderate-income families.	The mental health units in Villebois that are mentioned in the proposal were statutorily mandated.
		City has a small amount of regulated affordable housing for a city of its size.
Investment in existing urban areas	Planning process is underway for a redeveloped Town Center, which is envisioned as a mixed-use, walkable community gathering place.	Town Center planning process is not guarantee of code/zoning changes, property transfers and development that would make this a reality; the implementation timeline is uncertain.
	Opportunities to connect the expansion area with the Town Center	Low density of expansion area may not be sufficient to support new commercial areas.
Advancing Metro's 6 desired outcomes	City has its own local transit system that could support the expansion area	At 8 units/acre, the proposed development would be just reaching the minimum density that is considered viable for supporting transit
	Strong integration of parks into concept plan and positive coordination between schools and parks. Proposed trails provide access to pedestrian greenways.	If multifamily is limited to the city center and the surrounding areas are reserved for single family, it could result in unintentional segregation by income level.
	Area is close to I-5, providing good access to jobs.	Distance from commercial developments makes it likely that this expansion area will be car-dependent

Hillsboro

	Strengths	Weaknesses
Development feasibility	The city has demonstrated its ability to successfully implement both development and re-development projects. Confidence in future development based on strong track record.	Areas such as the South Hillsboro development are still under development. Some CRAG members are under the impression that infrastructure costs have required more public subsidy than projected when the UGB was expanded to encompass it.
	Expansion area is extremely developable – land is flat and, as an extension of Witch Hazel Village, there are already infrastructure connections in place.	
	Expansion area consists of large parcels and relatively low number of owners will facilitate development.	
Affordable Housing	Affordable housing experts in the group note that the city has taken commendable steps towards increasing affordable housing that weren't mentioned in the proposal	No discussion of how WHVS would contribute to meeting Hillsboro's affordable housing needs or indication that the city would be incorporating any affordable housing into the new development. Now would be the time to make explicit provisions for incorporating affordable housing into this expansion area, before value has been added to the land.
	The city has made a bigger commitment to affordable housing in recent years, in addition to their historic commitments via HOME and CDBG, and general funds to Community Housing Fund. They have suggested: 1) potentially distributing remnant parcels, 2) parking reductions, 3) tax exemption and 4) general fund gap money. City has also hired a planner to focus specifically on affordable housing.	The proposal should commit to tools such as adoption of a Construction Excise Tax for affordable housing, SDC waivers, density bonuses, and parking reductions rather than state that these types of tools are being "considered, evaluated and explored."

Housing needs	Proposed mix of single-family detached, single-family attached, and ADUs would provide for a range of housing types, potentially serving a diversity of household types.	It is not clear, from the summary proposal, what the actual build out of WHVS would be. The proposal states that it is “anticipated” that certain “private-sector efforts” “may be employed” in WHVS to achieve missing middle housing, including use of PUDs, ADUs, and cottage clusters – not as certain as zoning or density requirements.
	Housing mix “seeks to provide a complete, balanced community that serves different people at different points in their lives”	Proposed zoning and housing mix misses opportunity to integrate higher-density & a greater variety of density, such as missing middle types of housing that could provide greater affordability.
		Emphasis on homeowner over rental options.
Investment in existing urban areas	City is using its existing land efficiently and existing zoning/incentives have created exemplary mixed-use, walkable TOD.	
	Examples of Orenco Station, AmberGlen as model investment areas.	
Supporting Metro’s 6 desired outcomes	Overall city culture of excellence in pushing for sustainability.	More commitment to transit and trails wanted – trails are currently only recommendations, and there is no discussion of transit
	Conceptual trail along Gordon Creek is a plus. Prior good work in parks creation noted.	The relatively low densities planned for WHVS will ensure it is an auto-dependent community.
	Hillsboro has more jobs than homes – adding more homes to the area might let more people live where they work	Concern that there are few strategies to prevent displacement as redevelopment occurs and leads to increased property values.
	Regarding community engagement: Lots of vision work, great boards (including youth) and commissions, and they have demonstrated some diversity on Council.	Is there evidence they’ve been able to reach underserved populations in prior planning processes? Google language translation on city websites won’t pull in folks who aren’t otherwise engaged.

Beaverton

	Strengths	Weaknesses
Development feasibility	Undevelopable area of proposed expansion allows for protection of natural resources and water quality, avoids difficult building constraints on steep slopes, and allows for park space.	More than half of the area can't be developed due to topography. Topography is challenging, environmentally and from a development cost/infrastructure standpoint.
	Expansion proposal would connect surrounding subdivisions as the final "puzzle piece" in the larger South Cooper Mountain Concept Plan.	Need more info on relationship with THPRD w/regards to Cooper Mountain park plans
	Topography provides an opportunity to develop sanitary and regional stormwater facilities for the area.	Not certain how many landowners are willing sellers.
Housing needs	New land would help meet 31% of the city's housing needs per their HNA.	Mismatch between their Housing Needs Analysis (HNA) and proposed housing types. Their HNA states that their city's biggest demand is in rentals and owned units for low-income housing, but dominance of single-family detached housing proposed here will not meet that need.
	Would help meet city's stated unmet need for single-family housing (attached and detached).	Lack of variety of housing options throughout plan area. Need for missing middle housing in SF housing areas unless precluded by topography
	They have an upcoming study to develop missing middle housing development opportunities, update of ADU rules	Missing Middle housing study is not yet underway; this timing is unfortunate, as new land represents a lot of opportunity.
Affordable Housing	"Without a doubt, Beaverton is the jurisdiction in Washington County most firmly committed to affordable housing."	Unclear as to whether affordable housing would be incorporated into new housing area
	They've dedicated increasing staff and board time to this issue, as well as increased their General Fund commitment this year. Affordable housing has designated line items in URA. They have acquired land for redevelopment, and have small grants for predevelopment. They implemented tax exemption, and are working on SDCs (especially with THPRD).	Given higher infrastructure costs and emphasis on single-family housing, it seems unlikely that units in this area could be provided at the levels of affordability identified in their HNA.
	Considering minimum parking requirements	

Investment in existing urban areas	City is investing in growth in its centers, developing its downtown and MAX station areas, and adding multifamily in those areas. Its vertical housing development zone was noted as a plus.	Areas surrounding proposed expansion area are more traditionally suburban. There was concern that this expansion area would be “tacking on another subdivision to a bunch of other subdivisions.”
	Beaverton’s existing overall residential supply and detached/attached housing split seems strong	
Advancing Metro’s 6 desired outcomes	Heavily emphasizes protection of natural resources with much of the area being dedicated to parks and natural land.	Area is challenging for multi-modal connectivity, both within itself and back into the existing urban area. Poor connectivity and lack of travel options suggests that this area is likely to be strongly car-dependent.
	Beaverton is considered the leader among cities its size in demonstrating an ability to reach out to and engage the broadest set of stakeholders in their community. Their BOLD leadership program has prepared and propelled many from communities of color. They’ve also done an outstanding job in building diverse leadership, and integration on boards and commissions.	Lack of mixed-use or commercial development means that residents will have to leave the development to access basic goods and services; combined with poor multimodal options, this will result in more driving trips.
		No commitment from the City to use the <i>Leading with Race</i> report by Coalition of Communities of Color that they mention in the public engagement, outcome development, and planning for expansion area. Rather than state the report is something the city “can” use, commit that the city “will” use it.

King City

	Strengths	Weaknesses
Development feasibility	The proposed Town Center is seen as workable on a small scale; intensive development is not necessary but it is believed that some small restaurants, coffee shops, etc. could be supported by the community.	How would the city attract the density they are proposing?
	Opportunity to deal with septic issues, as a sanitary pump station is slated for construction this summer. Replacing rural septic systems with sanitary sewer systems would help protect water quality.	Small staff, limited technical resources to plan for infrastructure and process building permits, etc. May require assistance in developing and implementing their concept plan.
	Finance plan and city efforts show that development should pay for itself	Estimates of infrastructure may be low; do not include costs for trails or features that would improve biking/walking options.
	As a small jurisdiction they've demonstrated that they understand the need to partner with County, TriMet, Tigard, etc. They've also had to depend on volunteerism in some regards, which adds to civic ownership and engagement.	
Housing needs	Expansion area would provide much-needed land for residential expansion, as current residential areas are almost completely built out.	The proposal narrative mentions the King City Housing Needs Analysis (HNA), but does not describe its conclusions.
	Plan maintains small lot sizes and compact, walkable development	
	Would provide a variety of unit and lot types for residents of different incomes & tenures, including a mix of single-family and multifamily home types. City seems especially open to manufactured housing.	What tools does the city have in place to ensure these types of development or incentivize them?
Affordable Housing	Although it has no record of having regulated affordable housing, King City has more market-rate affordable housing compared to the rest of the region - in part due to their compact development patterns	Preservation of their existing affordability will require strategies and investments, but the proposal has no description of what tools King City intends to use to preserve their existing market-rate affordability or create new affordable housing.

Investment in existing urban areas	Wrote a Town Center Plan and Implementation Strategy in 2015 through a Metro grant	Implementation Strategy for Town Center Plan does not seem to have been executed.
		Plan claims that there are limited opportunities for infill or vertical growth, but options such as upzoning or redevelopment do not appear to have been explored.
Advancing Metro's 6 desired outcomes	Opportunities to connect to Westside Trail system; could incorporate innovative transportation options like shared e-bikes, golf carts into an off-road trail network	Proposed town center would be removed from the existing community and would likely be auto-dependent.
	Community is becoming increasingly diverse; people of color hold high-ranking, decision-making positions in city leadership.	Existing connectivity issues for walking and biking, (especially around exiting cul-de-sacs) and a lack of transit service will limit how accessible this area can be for an aging population.
	Their proposed smaller-than-average lot and home sizes would be more energy-efficient.	