

**METRO POLICY ADVISORY COMMITTEE (MPAC)**

Meeting Minutes

September 27, 2017

Metro Regional Center, Council Chamber

**MEMBERS PRESENT**

Steve Callaway  
Carlotta Collette  
Betty Dominguez  
Amanda Fritz  
Mark Gamba  
Kathryn Harrington  
Jerry Hinton  
Gordon Hovies  
Larry Morgan  
Carrie MacLaren  
Loretta Smith  
Ty Stober  
Peter Truax

**AFFILIATION**

City of Hillsboro, Largest City in Washington County  
Metro Council  
Citizen of Clackamas County  
City of Portland  
Chair, City of Milwaukie  
Metro Council  
City of Gresham, Second Largest City in Multnomah County  
Tualatin Valley Fire & Rescue, Special Districts in Washington County  
City of Troutdale, Other Cities in Multnomah County  
Oregon Department of Land Conservation and Development  
Multnomah County  
Vancouver Washington  
Forest Grove Mayor

**ALTERNATES PRESENT**

Gretchen Buehner  
Jennifer Donnelly  
Jackie Manz

**AFFILIATION**

Forest Grove  
Oregon Department of Land Conservation and Development  
City of Lake Oswego, Largest City in Clackamas County

**OTHERS PRESENT:** Lynn Peterson, Adam Barber, Tom Armstrong, Colin Cooper, Taylor Eidt, Eric Hesse

**STAFF:** Nellie Papsdorf, Andy Shaw, Ernest Hayes, Taylor Unterberg, Megan Gibb, Ted Reid, Roger Alfred, Alison Kean, Jes Larson, Elissa Gertler

**1. CALL TO ORDER, SELF INTRODUCTIONS, CHAIR COMMUNICATIONS**

MPAC Chair Mark Gamba called the meeting to order at 5:04 p.m. Chair Gamba proceeded to have attendees introduce themselves.

Chair Gamba discussed an upcoming racial equity workshop. The “Leading with a Racial Equity Approach for Structural Transformation” workshop would be offered to MPAC and other Metro advisory committee members on November 1, 2017 from 6:00-8:00PM at the Metro Regional Center in the Council chamber. The workshop would serve as a training opportunity to learn more about why Metro and a growing number of jurisdictions around the country were using racial equity as the way to prioritize their work in order to serve all people more effectively. The workshop would be presented by Scott Winn, a consultant and faculty member at the University of Washington School of Social Work.

## **2. CITIZEN COMMUNICATIONS**

There was none.

## **3. COUNCIL UPDATE**

- Councilor Carlotta Collette invited MPAC members to a special Council meeting. The meeting would be held in Forest Grove on the evening of October 19 at the Forest Grove Community Auditorium. The Council was poised to adopt the Chehalem Ridge Nature Park Master Plan at the meeting.
- Councilor Collette provided a reminder about the Build Small, Live Large summit, which would be held at Portland State University. The summit would center on financing strategies for Accessory Dwelling Units (ADUs) and other small dwellings.
- Councilor Collette provided a Willamette Falls Legacy Project update. She announced that a letter had been sent to the owner of the property, who still needed to sign property agreements in order for the project to move forward.

## **4. MPAC MEMBER COMMUNICATION**

- Councilor Kathryn Harrington commended the Washington County Board of Commissioners for their September 5 adoption of a statement that rejected racism, bigotry, and violence.

## **5. CONSENT AGENDA**

- **MTAC NOMINATIONS**
- **MINUTES FOR SEPTEMBER 13, 2017**

MOTION: Commissioner Amanda Fritz moved, and Councilor Ty Stober seconded, to adopt the consent agenda.

ACTION: With all in favor, the motion passed.

## **6. INFORMATION/DISCUSSION ITEMS**

### **6.1 Expectations for Cities Proposing Residential UGB Expansions**

Chair Gamba explained that this item intended to follow through on the recommendations made last year by the Urban Growth Readiness Task Force, a group convened by Metro Council President Tom Hughes in which he and other MPAC members had participated. The Task Force recommended ways that additional flexibility could be built into the residential urban growth management process. Along with that flexibility, the Task Force recommended that cities should have an opportunity to make their case for proposed expansions. Staff had been working with the Metro Technical Advisory Committee (MTAC) to develop more clarity surrounding what constitutes a good proposal. Chair Gamba reminded the committee that MPAC was scheduled to make a formal recommendation on code amendments to the Metro Council on October 11.

*Key elements of the presentation included:*

Mr. Reid explained that there were issues with past growth management processes. The old system had used math to define complex housing needs, expanded the UGB based on soil types, and concept planned areas after they had already been added to the UGB.

In 2006, the region determined that it should identify urban and rural reserves, move toward an outcomes-based approach to growth management, and, using the 2040 Growth Concept as a guide, agree on where the region would and would not grow. Mr. Reid stated the importance of having a plan before expanding the UGB. In 2009, the Council expressed its intent to use Metro's six desired regional outcomes to guide growth management decisions.

Mr. Reid highlighted that the Urban Growth Readiness Task Force made consensus recommendations to the Metro Council in 2016-2017. The recommendations included increasing flexibility to respond to city proposals for residential expansions, as well as clarifying expectations for cities.

Mr. Reid outlined the new regional growth management process. It began with agreement on where the region would grow over the next 50 years, was followed by concept planning urban reserve areas prior to expansion, and finally involved deciding whether proposed expansions were needed based on the six desired regional outcomes.

Mr. Reid stated that MTAC made unanimous recommendations for code language at their September 6 meeting. MTAC recommended clarifying expectations while ensuring flexibility. MTAC recommended that expectations should apply to all residential growth management decisions, but that there should be a higher bar for mid-cycle expansion proposals. Expectations for mid-cycle expansion proposals would include: coordination of housing needs analyses, demonstrated likelihood of development of expansion area, efforts in existing urban centers and corridors, best practices for affordable housing in existing urban areas, and advancement of the six desired outcomes.

Mr. Reid identified next steps. MPAC was scheduled to provide a formal recommendation to the Metro Council on urban growth code amendments on October 11. Council consideration of code amendments would take place on October 26 and November 2 of 2017. Full proposals from cities proposing expansions would be due May 31, 2018. MPAC advice and Council decision on the proposals was scheduled to occur at the end of 2018.

*Member discussion included:*

- Mayor Steve Callaway asked if these code amendments were the same as ones presented in March 2017. He was informed that they were the same.
- Councilor Jerry Hinton asked who would be tasked with creating a concept plan in an unincorporated area. Mr. Reid responded that incorporated cities would have to propose expansions to their existing boundaries, and that a concept plan had to be in place in order for a city to be granted a mid-cycle expansion.
- Ms. Betty Dominguez asked about the current status of state acknowledgement of urban reserves.

- Ms. Carrie MacLaren responded that state hearings on reserves were scheduled for November, and should be done by January 2018 at the latest.
- Commissioner Fritz inquired if all property owners involved in an expansion area had to agree on the expansion, and if not, how the process would proceed. Mr. Reid informed the commissioner that cities would be charged with persuading residents that the expansion was necessary. Mr. Roger Alfred indicated that the process would involve outreach to property owners and community members.
- Mayor Callaway asked if it would be possible for the draft administrative guidance document for cities proposing residential expansions to be reviewed by MPAC before it was sent to the Metro Council for final approval.
- Councilor Harrington also asked for the document to be shared with MPAC members.
- Ms. Elissa Gertler emphasized that the document did not dictate what cities could and could not do; rather, it intended to guide cities trying to move through the UGB expansion process.

## **6.2 Housing Trends and Policies around the Region: Hillsboro and Portland**

Chair Gamba announced that this topic was part of an ongoing dialogue about how the region was growing. He informed the committee that it would be discussing housing trends throughout the region more over the next year as it prepared to make a recommendation to the Council on its next urban growth management decision. Chair Gamba welcomed planning staff from the cities of Portland and Hillsboro to provide overviews of some of the housing trends, challenges, opportunities, policies, and investments in their cities. He stated that MPAC hoped to hear from Clackamas County and Milwaukie staff on October 11, and from Beaverton and Wilsonville staff on October 25.

Chair Gamba introduced Tom Armstrong, City of Portland, and Colin Cooper, City of Hillsboro.

*Key elements of the presentation included:*

Mr. Armstrong stated that the City of Portland was planning 30 percent of its growth within the central city, 50 percent in its corridors, and the remaining 20 percent in various other areas. One of the city's goals was to achieve complete and connected neighborhoods wherein residents could find most of what they needed within 20 minutes of their homes. The target was for 80 percent of households to be part of complete community; Mr. Armstrong stated that currently, approximately 65 percent of Portland households were located in such neighborhoods.

Mr. Armstrong discussed housing cost trends. He stated that the demand for close-in housing was high. Since 2007, the median home sales price had increased by 13 percent, while median incomes had only risen by about 9 percent, and rent had increased anywhere from 25 to 29 percent. The rental market was outpacing incomes, and Portland was experiencing displacement from inner neighborhoods to east Portland and other parts of the region.

Mr. Armstrong provided an overview of population growth in the Portland region and the disappearance of middle-wage jobs accompanied by an increase in high-wage jobs. He noted that multi-family housing unit construction permits were high. He also highlighted that ADU permits had gained traction in recent years, and the city of Portland was permitting 400-500 units per year. Ms. Carrie MacLaren asked about the dispersion of ADUs around the city, specifically if ADU construction was taking place in areas where planners wanted to see increased housing density. Mr. Armstrong responded that the Build Small Coalition was analyzing ways to provide low-cost

financing options to help middle-income people construct ADUs. Ms. Dominguez cited a city program that involved constructing ADUs for homeless people; Mr. Armstrong clarified that this was a county program rather than a city of Portland program.

Mr. Armstrong discussed Portland's affordable housing strategy. Affordable housing funding methods included the urban renewal fund, 45 percent of which was dedicated to affordable housing; short term rental lodging tax revenue that amounted to approximately \$1 million a year; and a city-exercised Construction Excise Tax (CET) on commercial and residential development, which would generate 8 to 9 million dollars annually. Mr. Armstrong also highlighted the city's adoption of renter protections, which included 90 day notices for no cause evictions and rent increases, and a relocation assistance requirement. Mr. Armstrong expressed that the city's inclusionary housing requirement mandated that 20 percent of new units constructed be affordable for families earning 80 percent of the Area Median Income (AMI); alternatively, developers could opt to offer deeper affordability, with 10 percent of units affordable to those at 60 percent AMI. There were various developer incentives, including a ten-year property tax exemption, CET exemption on affordable units, a parking requirement exemption, and System Development Charge (SDC) waivers on affordable units. Chair Gamba asked how the city verified that rental units were compliant with existing requirements. Mr. Armstrong stated that in addition to annual self-reporting from property owners, the city relied on tenant complaints. Chair Gamba asked if the city of Portland had explored the option of requiring property owners to report rents in their various units. Commissioner Fritz and Mr. Armstrong both stated that the city had considered this. Commissioner Loretta Smith emphasized that it took 4 to 6 years from predevelopment to development to construct affordable housing, and advocated tax abatement for existing units in order to advance the availability of permanent affordable housing. Ms. Gretchen Buehner asked if there was a plan to address housing affordability at 30 to 50 percent AMI. Mr. Armstrong stated that there was not a plan to do so at this time. Mr. Armstrong outlined future actions, which included updates to the central city plan and adjustments to permitted building heights; a residential infill project that would limit the size of single-dwelling houses and create options for smaller housing units in neighborhoods; and rewriting multi-dwelling zones to allow housing flexibility.

Mr. Colin Cooper, City of Hillsboro, stated that Hillsboro was a city that had been steadily growing and whose growth was projected to continue into the future. Mr. Cooper informed MPAC that the city's median income was currently \$67,000, which was higher than then regional average and county average, and that households in Hillsboro were slightly younger and larger in size than the regional average. He explained that the city was home to approximately 68,000 jobs, 45,000 of which were in high-tech manufacturing. He emphasized the city's pride in its diversity, stating that the city was 61 percent Caucasian and 49 percent non-Caucasian, with a significant Hispanic population. Mr. Cooper stated that 70 percent of Hillsboro housing stock since 2010 was multi-family, and that the city's total housing stock was equal parts multi-family and single family dwellings. Mr. Cooper advocated for the regional enhancement of opportunities for ownership of attached properties such as condominiums.

Mr. Cooper highlighted Hillsboro's focused growth on corridors and centers. He stated that 24 percent of new units were located within a quarter mile of Light Rail Transit (LRT) and 44 percent were built within a half mile of LRT. Mr. Cooper reiterated TriMet General Manager Neil McFarlane's assertion that TriMet's service on the west end of Washington County was "skeletal at best". Mr. Cooper requested more transit support in Hillsboro. He also stated that the city's current housing capacity did not meet demand.

Mr. Cooper discussed infill development. While there were not many secondary dwelling units in Hillsboro, the city did intend to encourage them. In partnership with the Washington County Housing Authority, the city was working on a 121 unit multi-family 6-story housing development; the development was located at a light rail station, near bus lines, and next to Portland Community College's Rock Creek campus. Mr. Cooper believed this site demonstrated Hillsboro's commitment to affordable housing. Mr. Cooper also stressed the importance of preserving Hillsboro's inventory of non-regulated affordable housing.

Mr. Cooper outlined redevelopment of a former grocery store near Pacific University in downtown Hillsboro. The grocery store had been removed from the lot and the city, who now owned the land, was looking for a developer to construct affordable housing at the site. Mr. Cooper informed the committee that Hillsboro was expecting 300 to 400 units at this location. He also described a new development in South Hillsboro that was slated to include attached single family homes and community parks. Mr. Cooper noted financing challenges in south Hillsboro, but stated that he expected the area to rapidly expand in the coming years.

Mr. Cooper introduced Hillsboro's intended future development. He informed MPAC that in 2018, Witch Hazel South would ask for a UGB expansion. The desired expansion area was to the south of middle and an elementary school that abutted walkable and high density attached and detached housing.

*Member discussion included:*

None.

## **ADJOURN**

*Closing remarks of MPAC members included:*

- Councilor Harrington thanked the presenters for the hard work that had gone into developing their cities.

MPAC Chair Gamba adjourned the meeting at 6:57 p.m.

Respectfully Submitted,



Taylor Unterberg  
Recording Secretary

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPTEMBER 27, 2017**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT No.</b>
<b>3.0</b>	Handout	09/27/2017	Build Small, Live Large Summit Flyer	092717m-01
<b>6.1</b>	Handout	09/27/2017	2018 Urban Growth Management Decision Work Program Overview	092717m-02
<b>6.1</b>	PowerPoint	09/27/2017	Urban Growth Management	092717m-03
<b>6.2</b>	PowerPoint	09/27/2017	Portland Housing	092717m-04
<b>6.2</b>	PowerPoint	09/27/2017	Hillsboro Housing	092717m-05