



# Meeting minutes

Meeting: **Metro Technical Advisory Committee (MTAC) meeting**

Date/time: Wednesday, August 28, 2024 | 9:00 a.m. to 12:00 p.m.

Place: Virtual video meeting via Zoom

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## **Members Attending**

Eryn Kehe, Chair  
Joseph Edge  
Carol Chesarek  
Victor Saldanha  
Tom Armstrong  
Erik Olson  
Terra Wilcoxson  
Aquilla Hurd-Ravich  
Anna Slatinsky  
Laura Terway  
Katherine Kelly  
Jamie Stasny  
Jessica Pelz  
Laura Kelly  
Manuel Contreras, Jr.  
Gery Keck  
Nina Carlson  
Tom Bouillion  
Bret Marchant  
Mary Kyle McCurdy  
Rachel Loftin  
Preston Korst  
Erik Cole  
Mike O'Brien  
Brendon Haggerty

## **Affiliate**

Metro  
Clackamas County Community Member  
Multnomah County Community Member  
Washington County Community Member  
Largest City in the Region: Portland  
Largest City in Clackamas County: Lake Oswego  
Largest City in Multnomah County: Gresham  
Second Largest City in Clackamas County: Oregon City  
Second Largest City in Washington County: Beaverton  
Clackamas County: Other Cities, City of Happy Valley  
City of Vancouver  
Clackamas County  
Washington County  
Oregon Depart. of Land Conservation & Development  
Clackamas Water Environmental Services  
Tualatin Hills Park & Recreation District  
NW Natural  
Port of Portland  
Greater Portland, Inc.  
1000 Friends of Oregon  
Community Partners for Affordable Housing  
Home Builders Association of Metropolitan Portland  
Schnitzer Properties, Inc.  
Mayer/Reed, Inc.  
Public Health & Urban Forum, Multnomah County

## **Alternate Members Attending**

Vee Paykar  
Faun Hosey  
Ashley Miller  
Dan Rutzick  
Dakota Meyer  
Martha Fritzie  
Kevin Cook  
Oliver Orjiako  
Glen Bolen  
Kelly Reid  
Cassera Phipps  
Fiona Lyon

## **Affiliate**

Multnomah County Community Member  
Washington County Community Member  
City of Gresham  
City of Hillsboro  
City of Troutdale  
Clackamas County  
Multnomah County  
Clark County  
Oregon Department of Transportation  
Oregon Department of Land Conservation & Dev.  
Clean Water Services  
TriMet

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Jerry Johnson  
Kerry Steinmetz  
Erin Reome  
Greg Schrock  
Craig Sheahan  
Max Nonnamaker  
Ryan Ames  
Leah Fisher

Johnson Economics, LLC  
Fidelity National Title Greater Metropolitan Portland  
Redevelopment/Urban Design, N. Clackamas P&R  
Commercial/Industrial, PSU  
David Evans & Associates, Inc.  
Public Health & Urban Forum, Multnomah County  
Public Health & Urban Forum, Washington County  
Public Health & Urban Forum, Clackamas County

**Guests Attending**

A Brown  
Adam Torres  
Barbara Fryer  
Brad Kilby  
Bruce Coleman  
Eric Rutledge  
Harrison Husting  
Ken Rencher  
Kevin Young  
Kristopher Fortin Grijalva  
Mac Cunningham  
Marc Farrar  
Sam Diaz  
One unidentified phone caller

**Affiliate**

Clackamas County  
City of Cornelius  
Harper Houf Peterson Righellis, Inc.  
City of Sherwood  
City of Sherwood  
Clark County  
Washington County  
Oregon Dept. of Land Conservation & Development  
Oregon Environmental Council  
Community Partners for Affordable Housing  
Metropolitan Land Group, LLC  
1000 Friends of Oregon

**Metro Staff Attending**

Al Mowbray, Clint Chiavarini, David Tetrick, Eryn Kehe, Kadin Mangalik, Laura Combs, Marie Miller, Miriam Hanes, Ted Reid

**Call to Order, Quorum Declaration and Introductions**

Chair Eryn Kehe called the meeting to order at 9:00 a.m. A quorum was declared. Introductions were made.

**Comments from the Chair and Committee Members**

Chair Kehe reminded the committee the MTAC September 18 meeting will be in-person with online option via Zoom. The meeting will be held in Metro Council Chambers starting at 9:00 a.m. There will be a vote taken at this meeting on the Urban Growth Management Decision with recommendation to MPAC. Parking information and other information will be shared prior to the meeting.

The Regional Housing Coordination Strategy was noted by Chair Kehe. This is a state required plan that Metro will develop for coordination and strategy within one year of our urban growth boundary decision to help increase housing production and support all the cities and counties who are working on their plans as well. An update on this work plan is scheduled for the October MTAC meeting. It was pointed out typically Metro's distributed forecast follows our Urban Growth Boundary decision by at least a year that is approved by Metro Council. It's likely to be late in 2025 or 2026. There has been some confusion around the production targets, and it will be coordinated with our Urban Growth Report and information around the Urban Growth Boundary decision. But our distributed forecast won't be out in time for this year's target. More information will be discussed at the October meeting.

Chair Kehe announced Metro is preparing and working on scoping for Metro’s Future Vision and the 2040 Growth Concept. You may not know that we have a future vision that guides that growth concept. It hasn’t been updated since the late 1990’s. We need to update that as well as the framework plan. The 2040 growth concept is part of the framework plan. We will start with putting together a big vision process. This is dictated in our charter. More information on this will be brought to MTAC in future meetings.

**Public Communications on Agenda Items** Eric Rutledge from the City of Sherwood provided testimony on Urban Growth Decision – Metro COO / Staff Recommendation and Conditions of Approval, appearing on the agenda. The letter submitted to the committee that accompanied this verbal testimony was added to the meeting packet, page 37.

**Consideration of MTAC minutes July 17, 2024 meeting**

Chair Kehe moved to accept as written minutes from MTAC July 17, 2024 meeting.

**ACTION: Motion passed unanimously.**

**Urban Growth Management Decision: Metro Chief Operating Officer recommendation** (Ted Reid, Laura Combs, Metro) Laura Combs began the presentation with a review of the project timeline. The public comment period provided themes that was shared with the committee:

- Optimism about future growth potential
- Interest in more housing and job opportunities in Sherwood
- Importance of housing affordability
- Housing choices for seniors, young families and other demographic groups
- Impacts of a potential UGB expansion on traffic, due to lack of transit options in Sherwood
- Impacts on farmland and agricultural activities
- Impacts on the environment and climate change
- Impacts of new development on existing public infrastructure
- Use land within the UGB before expanding

The regional need for housing was reviewed. The forecast for 2024-2044 was used with a baseline UGB capacity, 175,500 homes expected. The capture rate for growth forecast in the seven-county MSA was planned for an estimated 70% - 72%. From this the UGB housing demand was estimated at 176,500 – 180,800 homes. Using the baseline capacity estimates from the COO staff recommendations as well as the baseline household forecast results in the deficit for growth capacity for housing, shown in the capacity gap range slide.

Job growth was reported at estimates for capture rate: 75% of jobs in the MSA, anticipating 82,500 new jobs by 2044 in the Metro UGB for a total of 1,079,000 jobs. The Sherwood West Concept Plan: Up to 4,500 jobs. The need for large industrial sites was reviewed. There is a current surplus of industrial land, however, at smaller sizes. The 2022 Oregon Semiconductor Taskforce Report showed a Statewide need for four sites of 50 – 100 acres suitable for high tech manufacturers.

The COO staff recommendations include expansion of the UGB to include Sherwood West urban reserve with conditions of approval:

- Minimum number of housing units
- Housing affordability
- Protections for large industrial sites to grow the region’s high-tech manufacturing sector

- Broad based community engagement
- Tribal consultation

Additional recommendations include revising how we accounted for slopes on employment lands. The DLCD advised Metro to use a 10% slope threshold when inventorying buildable employment lands. It was recommended and planned to update the region's vision for its future. It was recommended to improve how we assess equity in growth management decisions. Possible amendments to Title 11 of the Urban Growth Management Functional Plan to require local governments to complete equity assessments when concept planning for new urban areas could be proposed. It was recommended that staff to work with interested Tribes, Metro's Tribal Affairs program and its advisory committees to identify possible amendments to Title 11 of the Urban Growth Management Functional Plan to require local governments to consult with Tribes when concept planning and comprehensive planning new urban areas This could help identify opportunities to ensure and improve Metro's Urban Growth Report technical analyses are inclusive of relevant tribal priorities, expertise, and data sets.

Comments from the committee:

Preston Korst appreciated Sherwood's comments about the city's due diligence and concept planning, noting that's a requirement that Metro has stipulated for at least a decade, that cities need to be putting forward their own concept plans before Metro considers an urban growth boundary. When it comes to the recommendations, we are concerned about the political risks that come with adding recommendations that are a little bit too prescriptive in their nature in terms of how they're presented from Council. We've seen whenever there is an opportunity for the political risks of an urban growth boundary to take place it's more than likely to derail the entire process. With that being the frame of how I'm presenting it, is how do you plan to present the recommendations in a way that allows the cities the autonomy to be flexible in their planning. Is there a way that is planned to set the recommendation that gives some flexibility to the City of Sherwood, or having as in 2018, setting the expectation for making these a little bit more aspirational more so than required.

Chair Kehe started with what's typical. It goes further back than 2018 and it is typical for conditions of approval to exist. When the expansion was made in 2018 there were conditions of approval that had a number of dwelling units as a minimum that is planned for in comprehensive planning for each of these cities, numbers that were obtained from the range that was presented in the concept plans by that city. In terms of how conditions of approval will be decided in this process this year, those conditions are set by our Council. They were in 2018 and they will be in 2024. Right now, the COO recommendation does not have a number for Sherwood for a condition on that number of units. It's presenting a range of choices for the Council to consider. Comments made by the City of Sherwood that range by Metro starts at nine dwelling units per acre, and Sherwood's plan is six. That range will be a political conversation at MTAC and Council.

Planned next steps for the September 18 MTAC meeting was a two-piece recommendation.

- Agree with recommendation to expand the UGB to include the Sherwood West urban reserve? You can agree with the recommendation with some caveats, separate from any conditions of approval.
- List of thoughts to share with MPAC on the topic areas for potential conditions of approval. You are the technical advisory committee to MPAC and provide that expertise on topic areas about the conditions of approval. You mentioned the number range of housing production. You may want to provide input on other conditions regarding general areas of affordability, the protection of large lot industrial areas and more. In many ways the conditions only come into play if the UGB has expanded.

Mr. Korst noted looking at the potential UGB conditions of approval section on page eight. It just seems vague to me. There isn't necessarily an expectation. Basically, it will be saying Metro in the COO recommendation. It also says Metro Council could add a condition. Chair Kehe noted this recommendation isn't recommending an affordability concept. It's just saying Council should consider some kind of condition related to affordability and lets Metro Council determine what that condition would be. It was noted in the past we had draft COO recommendations that did include some draft conditions of approval, but also in the past some conditions of approval happened in the Metro Council process late in the game. It's not unusual for conditions to be undefined at this stage, but this is more undefined than they have been in the past.

Mary Kyle McCurdy noted this is very much a legal decision as well as a political one. There are requirements to meet needed housing and Metro has its own six desired outcomes, which I've not seen mentioned in the COO's Report, which also among other things govern this decision. Given what the City of Sherwood said today about their unwillingness to go above 6.2 dwelling units per acre, will the COO and staff be going back to reanalyze its recommendation that changes quite a bit, included needed housing, whether any of the needed housing, most of the housing that's needed in the state and in the region is for those at 120%. The primary funder of affordable housing is litech. To even qualify for litech housing you need about 40 units per lot. That means none of that would qualify. Regarding climate strategies that Metro has committed to, will the COO be going back and redoing this analysis COO recommendations?

Chair Kehe noted all of those are decisions that our Council has the opportunity to make in their deliberations. Ms. McCurdy added that the last UGB expansion in 2018 had a requirement for minimum density that was 15 units per acre. The Governor's UGB expansion bill in 2024 required for any Metro expansions underneath that bill to be 17 units per acre. This is different from the past decade.

Nina Carlson focused questions and comments on industrial lands. One, I would be curious to know if or why there was no scrubbing the amount of industrial land that was deemed available in the UGB with commercial real estate folks. Knowing the folks in the industry, anything under five acres is very difficult to do. Any sort of larger industrial, or heavy medium to heavy industrial, you need larger pieces than that. Three acres or under and it's disaggregated around the region. I struggle with that being included in the number.

Additionally, I appreciate you dropping the slope down to 10%, but again, those same folks who do this development every day won't look at anything that has a grade of over 7%. So that's concerning in that number. Lastly, I appreciate all the work that's gone into this. But for those industrial areas to be really meaningful a lot of those are brownfield or areas that have real struggles with their infrastructure. I think a cost needs to be put on those places and potentially those that won't pencil in with those kinds of costs be take out or put in an ancillary bucket that aren't considered unless state or federal funding are found to be able to bring that into something that would pencil out because there's no sense counting properties that will not get developed. We have enough of those around that we see today.

Ted Reid started a reply with the small sites less than five acres. We have done some work on small site competitiveness and our analysis found those smaller sites actually do play a very important role in the regional economy. In particular, they serve smaller businesses that are often owned by people of color, that serve as an incubator for these small businesses in the economy. Our sense is we shouldn't ignore them completely. But as you noted there is a segment of the industrial market that does require larger sites since we've attempted to recognize that in the work we've been doing.

Chair Kehe added that it does get to the function of the center of what this UGB decision is about. If we discount vacant land completely and say that vacant land inside the UGB is useless, and therefore we need to expand the growth boundary. I think that's something we need to talk more about. I think it gets away from the fundamental idea that we use land effectively. It makes me question if we have vacant land inside the growth boundary and it's useless as industrial land, which is what you're saying, nobody wants to develop it, then we need to make some changes so that that land can be developed and become efficient use of the land inside the growth boundary, not discount it and let it stay vacant forever while we continue to grow out on the edge.

It does raise a really important issue, and you're not the only one to raise this, and it's really critical that we make sure that those areas do develop. Mr. Reid noted one way in which they can. But you are correct about the need for investment. Many of those are Brownfield and taking them out of that status and making sure that they're cleaned up is a problem that we need to address. We've found a way to specifically address this industrial need for large lots that supports the Sherwood proposal, and that's what's in the COO's recommendation.

Tom Armstrong noted following up from a previous conversation and hearing Sherwood is taking a pretty hard stand at six units per acre, this is significantly less than any of the previous UGB expansions at least recent past. In the previous draft UGR it had an analysis of what it would take or how you would adjust the redevelopment rate which is a pretty low 20%. I'm wondering if you're going to be able to provide an alternative analysis that says that if Sherwood is not agreeable to a higher density to help meet some of our housing needs, affordable housing needs, then Metro Council would have to adjust the redevelopment rate to create the capacity to meet those needs. I think there was a reference for the high scenario of going from 20 to 40%. I'm curious now that you've zeroed in on a regional forecast, what the redevelopment rate would need to be to meet the 5,000 units of additional capacity that you've identified as a need. You are saying meet that capacity inside the existing UGB by increasing the redevelopment rate for 20% to what? Is it 25%? Is it 23%? Is it a reasonable number or is it a huge stretch goal. Having that additional information would help.

Mr. Reid this was noted as something that got mentioned in the draft Urban Growth Report. We have a fairly conservative approach to how we assess redevelopment capacity in this work. There's the initial question about is redevelopment financially feasible on any particular property. And then we've also looked back at redevelopment in the past and acknowledged that even if a site is financially feasible to redevelop it doesn't mean that it necessarily does. As Mr. Armstrong is recounting, we've assumed that about 20% of the financially feasible parcels will actually redevelop in the future. He is correct on that. We have not gotten to the point of talking about how we would redo this analysis. I think right now we are in the phase having presented the COO recommendation and we anticipate some good policy discussions about expectations for any areas added to the boundary.

Mr. Armstrong asked do you think you could provide that information for us for our September 18 meeting? Mr. Reid noted he would check with his colleagues. I think there's another sort of complicating question here about the COO recommendation. As it stands, the housing need that is identified talks about middle housing and single unit detached housing in particular, which are a bit more challenging to address through redevelopment. Let me think about this and we'll see what we can do.

Dan Rutzick noted as I think about the Urban Growth Report, I am mindful about the Sherwood West UGB expansion. The 2024 Urban Growth Report will have implications for city and county planning

processes in the coming years. We'll identify the subsequent distributed forecast, as was mentioned earlier, to then inform the local housing capacity analysis and the regional transportation plan remodeling. A question I would pose to MTAC today is beyond the Sept. 18 meeting, talking about agreeing with the recommendation to expand the UGB to include Sherwood West, thoughts to share with MPAC on the topic, potential conditions of approval. I would encourage MTAC to also have a play with other input to share with MPAC regarding the 2024 UGR that can help inform overall thoughts on the work. Sherwood West, obviously, as we talk about at Metro multiple times, is front and center as part of this work, but I don't want to lose track of the overall urban growth report and some concerns I think local governments may have and others about other building blocks. I have a question with the baseline scenario, the Metro COO recommending the baseline scenario. Is that falling within the category of the new normal scenario two, or the new normal scenario three that we've been talking about in the last couple months.

Mr. Reid noted you'll recall we talked about the draft urban growth report with some of the housing demand scenarios. One was following in footsteps where future generations make choices similar to those that proceed them. There was the strong urban market scenario where there was a lot of very urban high-density development that would look a lot like the 2010, 2018 timeframe with that kind of development that we saw. In the middle was this new normal that was basically a blend of those two. We had two variations on that new normal, one that they used some initial capacity estimates that we had developed. Then a variation on that that attempted to respond to some of the feedback we got from suburban jurisdictions in particular. In their experience residential zones that are zoned for single unit detached housing that also allow middle housing, they tend to see a higher mix of single unit detached, not so much the middle housing. That variation was also included in the draft urban growth report. I've lost track of what the numbering for those scenarios was, but the COO recommendation is essentially what I described as the baseline capacity leaning a bit more towards single unit detached on vacant lands.

Mr. Rutzick noted it's closer to scenario three. It was asked is there an opening in September to have MTAC make recommendations beyond just the Sherwood West area? I know that at our MTAC meeting last month there was talk about, as Mr. Reid described, we have following in footsteps that we have the new normal, we have the strong urban market. There was a question mark where there could be another scenario and that was put out there. The City of Hillsboro put in public comment there's an opening for another scenario that falls in the line of strong population growth, but it also leans more towards a larger mix of single detached in addition to middle housing and apartments. I think it might be helpful to get some clarification if there's an opening to talk about another scenario, that question mark scenario, that Metro put out there last month.

Chair Kehe noted a change to the UGR like that would change the analysis and therefore the decision to expand the growth boundary for Sherwood. So that MTAC recommendation about the expansion is related to how the analysis identifies the need. Those are absolutely related. If the needs were for more single-family housing, then Sherwood would either have to provide higher densities of single-family housing in their concept plan or Metro would have to expand the growth boundary in some other location that's not Sherwood.

Mr. Rutzick noted when Metro showed that question mark it acknowledged staff ran through a variety of scenarios, but possible there could be other scenarios, too. What I'm hearing is there's not going to be an opening to assess whether Sherwood's proposal falls within a scenario beyond the four that have been looked at so far. Chair Kehe noted saying that if you want to do that, MTAC will need to make a

new recommendation about the UGB. Mr. Rutzick noted that makes sense. I guess that's an outstanding question for today to help inform for the Sept. 18 meeting. With that question mark being opened up Metro ran work with all these scenarios. There could be a lightly different scenario where there's more population growth than Metro has identified. It's a strong urban market but ultimately there's more single detached than is being shown. It's just a higher number of single detached than the new normal scenario three shows.

Chair Kehe asked where you would propose to MTAC a suggested on what should be done about the UGB to accommodate that additional single family residential need. Are you suggesting an additional expansion area beyond Sherwood? Mr. Rutzick noted I view this Urban Growth Report as obviously Sherwood West, but it's about more than that. As we think about the population forecast scenarios, let's put Sherwood West to the side, then for our region for the coming years all these building blocks that this sets the tone for. It's an acknowledgement there are other scenarios out there that can inform us. Maybe it's less about MTAC making a recommendation that's different, but maybe recommending to MPAC that the final UGR acknowledges there are other scenarios than the four that have been identified, which does not preclude the UGB expansion in 2024 for Sherwood West. There's a bunch of local governments in the coming years that are going to be leaning on these both growth forecast and scenarios to inform planning work we do at the local level.

Mr. Reid added the scenarios, and their draft urban growth report were always intended to be illustrative. Based on conversations we had with our consultant team they were intended to be within the balance of what felt plausible. Our consultant team advised us that a scenario that contemplates high population growth would necessarily mean that population growth is coming from younger migrants to the region who will not have the financial resources to purchase a single unit detached home. This was in the category of yes, you could create that kind of scenario, but they weren't convinced that it was actually informative in any practical sense. Mr. Rutzick noted if we're looking by 20 years out with your people moving to the region, they may choose middle housing or apartments. A number of them will have growing households and for other reasons gravitate towards single detached. When the urban growth report gets finalized, it can call out a variety of scenarios that could play out in the coming 20 years.

Preston Korst asked wouldn't the adjustment or alternative scenario that Dan is suggesting be actionable by a mid-cycle UGB expansion opportunity? Mr. Reid noted it could be. We do have this mid-cycle process that was developed in partnership with a number of the organizations here. We got to some changes to state law that allow this mid-cycle process, essentially three years after these cyclical decisions there. This is intended as a pressure relief valve. If our region in fact is experiencing faster growth than we expected, then a city can come forward and propose one of these mid-cycle expansions with that evidence that was missed in the most recent urban growth report.

Jessica Pelz noted we support expanding the UGB and would like to have a discussion of draft conditions of approval (more detailed) for MPAC consideration at the 9/18 meeting.

Anna Slatinsky noted I'm curious about the identified minimum number of units that would be created as a condition. Obviously previous decisions included those figures and Metro Council need not identify a particular density, but simply identifying a number of units and Sherwood would be able to take a flexible approach in figuring out how to target that figure. I would also add I would encourage Sherwood not to be too worried about middle housing. In the Cooper Mountain community planning process we've found ways to not just meet, but target significantly exceeding Metro's minimum



housing numbers. There are a lot of different ways to do it that can result in great outcomes for community character and all of the things that folks care about. That said, I know there are lots of details involved, and I'm not familiar with the Sherwood area and the plans that have been made so far.

My question is the minimum number of units that Metro Council would be choosing related to that range of needed housing that is being identified by the Urban Growth Report. From what I can see that range is between a thousand and 5,500. I'm curious how much of that informs where that condition would be. There are lots of other incentives for looking at some of the higher ends of the density including potentially eligibility for some infrastructure funds from the state. I would be interested to know from Metro staff's perspective how they are thinking about identifying potential housing targets for this area. Picking a density doesn't actually make a ton of sense because that's not how density really works. You have a variety of density, different kind of development. How are you thinking about identifying what the right number of units is for a particular expansion area?

Mr. Reid noted from the City of Beaverton and other cities experience in the 2018 decision there were conditions approval that essentially said the City of Beaverton, you shall plan for at least this number of homes. And the city has been doing that work along with Hillsboro, King City, Wilsonville to do the comprehensive planning to hit those levels and in many cases exceeding those expectations that were laid out. You are correct that the COO recommendation lays out a range of potential need from a thousand to 5,500 homes. You're also correct that the conclusion about need needs to sync up with the conditions that get applied to the expansion area. That's how we're thinking about it. That need will again reflect that direction from the council about what their expectations are for the minimum number of units to provide in that expansion area.

Ms. Slatinsky noted but from a Metro perspective I'm assuming that staff is going to be formulating potential numbers for that housing target for Sherwood. I'm curious how is staff approaching that. How do you determine what that proposal is for, what the options are that you identified for council. Mr. Reid noted what you've seen in the COO recommendation includes the reference to the planning the City of Sherwood has done. You've heard from the City of Sherwood what they believe their intention was with their concept plan, as well as that table that I shared that showed the range in their concept plan. Right now we're presenting this as these are all within the realm of what the council could decide. We think there's a policy discussion to be had about what those expectations should be.

The slide showing Sherwood West Concept Plan UGB housing capacity gap range was shown again. Ms. Slatinsky noted what I'm hearing is that Metro staff isn't quite sure how they're going to come up with options to consider. Chair Kehe noted Council is going to start work within the range that's in the COO recommendation.

Ms. Slatinsky noted a brief comment about the affordable housing, the suggested for some kind of condition related to affordable housing. I want to note that for Beaverton we've exceeded our own expectations for creating low-income housing in South Cooper Mountain which was two or three UGB cycles ago. The community plan was in 2015 and there is no way we would have been able to see low-income housing built in South Cooper Mountain without the Metro affordable housing bond. I think that the Metro affordable housing bond is an example of something that Metro did really well in terms of providing significant resources that have moved the needle.

I also want to mention there was an article in the Oregonian that came out recently about the dire straits that a number of affordable housing provider organizations are in right now. Without functional

low-income housing organizations to develop and provide that housing in the long term any obligation that's put on local jurisdictions is just meaningless. To be perfectly honest any kind of explicit target or requirement on local jurisdictions through UGB decision will also be meaningless because cities don't fund and develop affordable housing. I think that Metro has an important role to plan in affordable housing. But setting explicit requirements for jurisdictions through the UGB process I do not believe is one of them.

I want to encourage other jurisdictions to consider devoting resources to facilitating affordable housing development. However, it requires \$\$ any way you cut it. I would strongly oppose Metro placing additional financial obligations on cities with UGB decisions in addition to the already very daunting cost of providing infrastructure to new growth areas.

Chair Kehe noted that's a good example of what could fall into that second category of the decision for MTAC to bring to MPAC with the list of your technical recommendations. In this instance about affordable housing and possible conditions, essentially asking that those don't be too prescriptive because cities don't have the resources to build that housing themselves without significant support. Please talk more about some of those ideas which is one way we could separate this decision into the UGB expansion or not recommendation to MPAC and your technical expertise about those condition areas.

Carol Chesarek asked what if we support the expansion but only with certain conditions. In that case separating out those two decisions might be challenging. That's just a comment to think about. When I started working on this stuff years ago, we talked about developable acres when we were talking about residential densities, and I'm not hearing that developable acre's word used now. I'm confused about the different numbers I'm hearing today. I'm hearing from Sherwood 6.2 dwelling units per acre. I'm seeing on the chart the minimum number was 9.2 units per acre. I'm hearing from Ms. McCurdy talk about a state requirement for 17 units per acre. I'm wondering if those are all equivalent numbers with the same kind of underlying basis and calculation, or if there's some difference in how we're calculating what's developable and what's not. If someone could explain that it would be helpful.

Eric Rutledge noted the way to look at the capacity gap range table, the number that you see, 9.2 at the mid-bottom, that is the high end of the density range when no middle housing is provided in what we call neighborhood zones. You see 0% at the top, then all the way down to the bottom and you get to 9.2. If we were to clarify this table, we would add another column that would provide the minimum density with 0% middle housing in addition to the maximum density 0% middle housing. The reason why this table got put together this way is because we were focused on the impacts of HB2001 and that's where the 0%, 10%, 20%, 50% come in. More examples from the table were described.

Addressing comments at the meeting, the density is going to go higher. In my opinion we're probably going to hit about 10 units per acre after the planning is done. Developers take advantage of HB2001 as they're allowed. I want to clarify 6.2 is the minimum lower than recently approved concept plans, but not by a lot. Frog Pond was approved at approximately eight units per acre. So, it's less than 10. Again, what we've seen is that the base density always goes up. What we're saying is we don't want the base, or the minimum density increased. Because that is likely to increase things across the board down the line as we get into full development subdivisions and just straight up building permits as developers take advantage of middle housing with HB2001.

What we'd like to do is stick with the base minimum density 6.2 which is in the concept plan. There doesn't need to be a correction there. We know the 6.2 is supported by the Sherwood community. Based on our conversations with how we approach this with our community, allow the market to take it up further. That's what we're proposing. Based on comments today it seems that the minimum density is going to be much higher than 6.2 in the end. We have a significant concern that if we accept a condition that is higher than what was proposed, that as a lot of political risk and community acceptance risk. The other point around density, we have HB2001, we have SB1537 that passed last year, which allows additional density, basically outright, as long as you show that it increases affordability, or the unit count developers can go now. Regarding HB2000, three from 2019 related to density and affordability.

We are going to have to take specific actions. We are going to be subject to the new housing accountability and production office. All these are state mandates that are going to force the city's hand in a certain direction for affordability and density. The additional Metro conditions that go beyond that just might be that final straw. That's what I'm concerned about. Our community has a lot of concern about preemption both at the state level and the regional level. We want to be a good partner. We're proposing a minimum of about 2100 units. We think we can deliver those quickly, and likely the density will be much higher. But all the imposed conditions threaten that. The main thing is that it has been vetted and approved by the Sherwood community.

Ms. McCurdy noted the 17 units per acre referred to the Governor's one time expansion for residential. In SB1537 if a city in the Metro area uses that to expand the urban growth boundary for residential, it's 17 units per acre. Chair Kehe added that's not this process but something we can refer to as something recent. That was coming from the Governor's office. Sherwood is not asking for that one time expansion so they're not asking for that. Then I think your last question was could MTAC recommend to MPAC that recommends to Metro Council an expansion of the growth boundary but with some specific conditions. Yes, you absolutely can, but you'll need to have a vote of everybody that agrees with that, or we'll have a majority vote that agrees with that. There is some negotiation that has to happen in this group to try to get to what those would be.

Ms. Chesarek noted I'm a little frustrated because I feel like we're sliding backwards in the density housing space at a time when we need more density for climate reasons and also for walkable communities. I remember hearing a report some years ago that stated 12 or 15 units per acre is the minimum number you have to get to for supporting a truly walkable community that has enough density to support the corner coffee shop, the bakery, those local businesses that you can actually walk to as opposed to getting in your car and driving. We know there's a need for more housing in the region. So, to be walking back from 30 years ago the minimum requirement was 10 units per developable acre, I feel like we're sliding backwards in terms of the requirements and the minimums and we're not going in the right direction.

Gery Keck spoke of building off what Ms. Chesarek talked about. I see for as far as walkable communities the chart showed two different averages. One was the density average, and one was with open space, and the open space density was lower. My two cents is that if we're going to be making these communities with denser housing, we need the infrastructure to support those to be livable, which open space is one of the items. My question is the 9.2 to 16.4 that the COO's recommending. Does that take in consideration open space to help these communities become livable. Mr. Reid noted noticing in some table that described their density assumptions, some notes about open space and how those factored in.

Mr. Rutledge noted the Metro definition as far as I understand includes open space as part of the density calculation. So, the 9.2 would be the correct based on Metro and the City of Sherwood definitions. Chair Kehe noted they absolutely have a lot of open space worked into their concept plan. It's in how you measure density, which again, that most of the time Metro Council conditions have included number of units and not density. Density tends to get into these questions of what you use as a denominator, whether you're including roads or parks, or it can get a little complicated in its calculation. But that's what the table was showing, just a different way of looking at the calculation, one set of numbers of units, but changing the denominator of what's considered in the buildable land.

Rachel Loftin wanted to address what was being noted about affordable housing and how that's paid for and how that functions. While I understand the cities don't want to have CET prescriptive path to get affordable housing, we absolutely know that we need it. Those cities aren't the primary funding source. They are what actually kicks off this whole process. So, when we're going to the state and we're asking for tax credits, the only way that we get that funding source is if we can show significant community support from that city in order to get those initial awards.

On top of that we also have a major crisis within the entire United States that we don't have enough funding for these Litech properties. We're out of PABs across most the United States right now. We are going to depend on the local funding sources to make affordable housing happen. So, we need cities. Beaverton has done an amazing job about bringing affordable housing into this area. For instance, we're working on the senior housing at Fifth Property now. The reason we were able to make that happen and able to get a commitment for Litech is because Beaverton set aside a property that they would want converted into affordable housing. We need jurisdictions to commit to that across the board. If you want affordable housing, you can't just hope that Metro is going to come up with another funding source or that the state is going to step in. You need to help plan for that and make it happen.

Chair Kehe appreciated the perspective. This is making my point on why I think it could be helpful for us to make a list of these considerations for our September meeting. You want to make sure to forward to MPAC your expertise about some of these topic areas because you bring different perspectives and don't have to agree. We just have to bring all those perspectives to MPAC and Metro Council following that to hear and understand those perspectives.

When asked to define the acronyms used, Ms. Loftin noted litech is the low-income housing tax credit. It is the way that 90% of affordable housing projects are funded. We get tax credits from the federal government. We sell them to private investors, and that is what gives us the money that we need to build the housing. Those are funded through private activity bonds, PABs, which are awarded across the United States based on the size of your area. But what we're seeing is that with construction costs and insurance and all the other issues right now, there's not enough funding coming in to build the amount of affordable housing that is needed. So, we're at a little bit of a holding pattern even here within Oregon. The Oregon Housing and Community Services for the first time froze their 4% OHCS tax. They are the ones who distribute the funding for low-income housing tax credits. And they've stopped accepting application because there is not enough money to go around right now.

Mary Kyle McCurdy asked which Metro area cities have adopted a CET for affordable housing? Given that UGR says @ 80% of future households cannot afford median home price, we need housing numbers and densities that support market provided moderate income housing and affordable housing. It is not reasonable to expect Metro to always provide an affordability bond. Anna Slatinsky noted state law limits CET to a maximum of 1% of the permit value on residential construction. In

Beaverton, that would yield less than \$1M per year. Other significant funding sources are needed. Ms. McCurdy added the CET issue addresses the point raised by CPAH about need for cities to step up for affordable housing as well; it takes many pieces to put in place to support affordable housing.

Fiona Lyon wanted to echo comments from Ms. McCurdy and Ms. Chesarek on the density piece. I think that's a pretty big game changer for this process. When I google six units per acre it's an eye-opening visual to see what that means in real life. It looks like there was a maximum density, the 16.4 referenced as one of the conditions of approval. I know this is within that capacity table that was in Sherwood's concept plan. But I guess my question is why Metro's recommendation would include a max density. Echoing what I saw in the public comments on traffic concerns and the lack of transit service here. I would tie the pieces together that in order to get good transit service you do need to provide density. I would encourage those two pieces. I'm not a transit planner but I can definitely lean on my colleagues to share some of those density figures for how to best position the community to receive future transit investments.

I would be helpful for me to understand more about the assessment that was done to make sure that we turned over every stone within the UGB. I don't know if there's a one-pager on that process or all the things we looked at. There's a variety of things that come to mind. Looking at the Senate Bill, was that a consideration for looking at how to add density within the Urban Growth Boundary? Looking at underutilized parking throughout our region? It may be too late in the process to fold these things in, but I would like to maybe brainstorm for the next round, are there more creative things that we can be doing to make sure we're maximizing everything that we already have, just as a point of process.

It feels like so many of these expansion areas carry over large arterials that used to be farmland that don't quite get the investments of pedestrian and bike improvements of actual protected crossings in any regular interval. It remains a huge barrier for a lot of our region to be able to create walkable communities. If there's any way that we can bridge that gap in a more creative way to help trigger that investment. I feel that it's an outstanding need that we keep seeing throughout the region.

Mr. Reid thanks Ms. Lyon for the comments about the need for density to support transit provision. That is absolutely our senses as well. It'd be helpful to hear from TriMet what some of these threshold numbers may be to ensure that we can provide those options. Thank you for your comments about ways that we can use land more efficiently. The urban growth report process is a snapshot of what we think is today, but I think your point is a good one about are there other efforts we could undertake to think about using land more efficiently. I think probably a lot of my colleagues from cities and counties have some good ideas about that based on their local experience. Chair Kehe added the update to the region's vision and the 2040 growth concept and framework plan will be an opportunity to form understanding for efficient use of land inside the growth boundary. The scoping is going on now. Information on this will be coming to the committee.

Joseph Edge noted Ms. Lyon and Ms. Chesarek bring up great points about the thresholds required to support transit, walkable neighborhoods, neighborhood commercial, etc. We've heard from other suburban jurisdictions about wanting TriMet to provide better service to certain of their communities. As planners, we should be familiar with these thresholds, and these should be leveraged to set expectations for jurisdictions that are asking for additional transit service. We should invite TriMet planners to present to us on the thresholds required to support different intensities of transit service (local, frequent, high capacity) so we can have a shared understanding of this data for our technical recommendations.

Kevin Cook noted it seems appropriate to require conditions for affordable housing even while recognizing the challenges around funding. Vee Paykar noted also appropriate to continue talking about transportation - goal 14, states UGBs coming from cities over 2,500 in population will need to have a transportation system plan including encouraging efficient use of land to provide livable walkable and densely built communities.

Anna Slatinsky noted many of the comments here about local toolkits for affordable housing and transportation planning are already in place as a state mandate - Housing Production Strategies, and community plan requirements for planning goal consistency.

Nina Carlson noted I respect that we need walkable bikeable neighborhoods and all the amenities but every time we do that our cities are already struggling mightily with their budgets and requiring all these additional things that are going to make it that less likely for cities to be able to do these things. I'd love to have all the bells and whistles but right now we need to focus on housing and getting more people housed. Sometimes that means we don't get to have all the niceties. Before we weigh in on this, I think people need to drive around and understand what that land out there looks like.

Preston Korst noted I want to put into the conversation that whatever recommendations we do decide in the future meetings is going to set a precedent for the next urban growth boundaries, what we do in the future. I believe the truth is that the more prescriptive that we are in these urban growth boundary recommendations it means that it will be less likely that future cities in the future iterations of urban growth boundaries are willing to go after these urban growth boundaries because they feel either their hands will be tied or that whatever they do propose will get changed so much or will be killed through political in-fighting, essentially due to the fact that there are so many additional burdens on top of the years and hundreds of thousands of dollars that have been spent towards creating what a plan they think is appropriate for their community. Again, I keep referencing King City and North Plains. I want to be respectful to the political leaders that have taken the risk to go after the current urban growth boundaries. What we're deciding now will not impact just this potential development in community, but it may end up having detrimental effects and preventing other cities from wanting to do the same.

Glen Bolen noted I think that there's a longstanding history here of having conditions attached to the urban growth expansion areas. I think they've helped lead to better outcomes. One of the notes that I've got for this particular case is we're looking at job lands, large site industrial specifically. I agree with the statement about some protections for those large sites. There are some examples out there like North Hillsboro that has done some of that minimizing the number of restaurants and things that can go in there just to serve people, but not to be a draw itself. I also looked through the city's code, and their current industrial zones have a small minimum acreage size, so that would have to be updated.

And there's conditional uses allowed like recreation that are heavy trip generating low wage. I think we've seen this happen in the region where we lose some nice industrial sites to recreational uses for a long time and are not going to be real base employment jobs. From a transportation perspective they are higher trip generating. I'd like to see those protections in place. I agree with the statement that having a production number that matches the identified need is a reasonable approach. Numbers are just numbers. There are different ways to do development to make all kinds of things work. It really comes down to creativity.

Tom Armstrong noted I wanted to agree with Mr. Bolen's comments around the industrial land protections. Given that Metro has identified a need for large lot industrial, I think it is wholly

appropriate that Metro designate this as regionally significant industrial area. That would adopt the Title IV protections that eliminate the recreation use and provide the protection so that we don't see leakage with things like indoor go-karts, and Topgolf, and other things that belong more in the hospitality commercial area of their concept plan.

Chair Kehe asked for the Next Steps slide to be shown again. I'm going to go back to what I laid out in terms of decision-making next month and my suggestions as your Chair. I hope that this conversation has gotten you thinking about it and making you curious to find out more information. Ms. Carlson suggested going out and driving the Sherwood West area. You can look at the Sherwood West concept plan. It's easy to find online. You can look at Sherwood's proposal, it's on Metro's website as well.

I wanted to reflect back on this and make sure you're all ready for what's ahead. Ultimately, most of the time MTAC has recommended something in line essentially reflecting off the COO recommendation. That's what I'm suggesting here, is that you take the COO recommendation and then work from that, and that you either support it or you reject it. You can support it with conditions as was noted. But you are a very big group and getting a majority of this group means you need to come to something that will work for everyone. That will be the work of September.

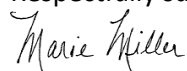
I encourage you to work with your colleagues to come up with proposals that you're ready to present at that September 18 meeting. This is similar to the last big decision with the Regional Transportation Plan. We walked through the recommendation and folks had suggestions, we worked on those together and voted on them. Ultimately, this is forwarded to MPAC. I will review notes of the meeting with your initial thoughts shared and bring some of that in a list to you as a starting point for this list of topic areas. But I hope that you'll come with more of those. It's very possible that I may ask for a straw poll on the first question about this recommendation to expand the UGB just to get us started and see where everybody is at. We might start the meeting that way. I also want to hear any proposals that you've brought with you. We'll go from there at the meeting on the 18<sup>th</sup>.

Nina Carlson noted I see the growth report in two separate sections, the residential and the industrial. Do we have to approve it all, such as make recommendations on the whole thing total? Chair Kehe noted in terms of expansion of the UGB, what's on the table right now is a full expansion for Sherwood West. That includes their employment areas and their housing areas. That's what's on the table. That's what I'm asking you to respond to. Could you respond to something that's separate? You could bring in part but not the other, yes. That's an adjustment that you could suggest. With bringing this information in front of MPAC it can help inform their decision. As a technical group your role is to provide your technical expertise to MPAC. I think by discussing these topic areas and your thoughts about potential conditions it can be helpful.

### **Adjournment**

There being no further business, meeting was adjourned by Chair Kehe at 11:03 a.m.

Respectfully submitted,



Marie Miller, MTAC Recorder

Attachments to the Public Record, MTAC meeting August 28, 2024

Item	DOCUMENT TYPE	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1	Agenda	8/28/2024	8/28/2024 MTAC Meeting Agenda	082824M-01
2	MTAC Work Program	8/20/2024	MTAC Work Program as of 8/20/2024	082824M-02
3	Draft minutes	7/17/2024	Draft minutes from MTAC July 17, 2024 meeting	082824M-03
4	Draft Report	8/26/2024	2024 Urban Growth Management Decision: Metro Chief Operating Officer/Staff Recommendations	082824M-04
5	Testimony Letter	8/27/2024	Testimony Letter, Urban Growth Decision, City of Sherwood	082824M-05
6	Testimony Letter	8/28/2024	Testimony Letter, Urban Growth Decision, Johnson Economics	082824M-06
7	Presentation	8/28/2024	Urban growth management: COO/Staff Recommendations	082824M-07