



Oregon

Tina Kotek, Governor

HPAC Work Group Recommendation Template

Last Update: August 17, 2023

Work Group

Availability of land

- Land development permit applications
- Codes and design
- Workforce shortages
- Financing

Recommendation: Provide Resources to Help Cities Overcome Infrastructure Barriers to Housing Production

- Identify new infrastructure funding source to support 10-year housing production horizon.
- Expand Business Oregon Infrastructure and Facilities Inventory to include critical housing infrastructure to include sewer, water and transportation. Use inventory to guide new Business Oregon Housing Infrastructure Fund program
- Prioritize infrastructure funding to cities who are producing housing at 80% AMI for 30 or more years
- Prioritize infrastructure funding to cities who have identified infrastructure needs in their Housing Production Strategies
- Prioritize infrastructure funding to cities who have demonstrated implementation of multiple policy, regulatory, and funding tools to increase housing production
- Develop streamlined and equitable funding application and distribution process to allow cities with limited staff capacity to participate (consider program tranches—cities 100-1000, cities 10,000-25,000, cities 25,000 and up)
- Limit eligible applicants to cities or counties, who can apply in partnership with special districts, private, or non-profit housing developers.

Related Work Plan Topics

Finance Recommendation Submitted July 7, 2023

Adoption Date:

August 16, 2023

Method of Adoption:

This recommendation was initially not part of the assigned topics for the Land Availability work group. However, the work group decided to include the topic of land readiness in the consent agenda, which was subsequently approved by the full Council during their meeting on May 12, 2023.

During their meeting on August 16, 2023, the members of the Land Availability Work Group voted to bring this recommendation to the attention of the full Council. The Council is scheduled to consider this recommendation at their upcoming meeting on August 25, 2023. The members who voted in favor of this motion included Chair Deb Flagan, Joel Madsen (who made the first motion), Karen Rockwell (who made the second motion), Elissa Gertler, and Director Bateman.

Co-chairs Guidance: Standards for Analysis

1. Clearly describe the housing production issue that the recommended action(s) will address.

- a. Describe the barrier(s) or solution(s) the recommendation seeks to address, and how the existence of the barriers hinders production or how the solution supports production.*

It is well known throughout Oregon that providing new transportation, water, and sewer infrastructure to serve new housing development can be complicated and expensive, particularly in smaller communities who have limited financial resources and tools available, and in communities where the natural environment creates additional complications to infrastructure and housing development. In some communities, the cost of new water or sewer infrastructure has effectively led to moratoriums on new development where systems do not have the capacity to support new homes and cities do not have the capacity to finance needed infrastructure.

Oregon has been successful in developing infrastructure investment programs that focus on industrial and economic development, recognizing and rewarding communities who are striving to make significant investments in their economy and in creating jobs and wealth for residents. Oregon's economy is closely tied to the availability and affordability of housing— in cities throughout the state, employers cannot find workers, because workers cannot find housing. It is key to recognize the interconnection between housing development and economic development

Throughout Oregon, cities have been creating Housing Capacity Analyses and Housing Production Strategies, and many cities have implemented a range of policies, regulations and financing tools to increase housing production, affordability, and choice for their residents.

Given limited state funding resources for infrastructure, a NEW Oregon Housing Infrastructure Investment Fund should reward and prioritize cities who are deploying a range of housing tools.

2. Provide a quantitative, if possible, and qualitative overview of the housing production issue.

- a. *Summarize the quantitative and qualitative information available, and reviewed by the work group, that informed the analysis of the barrier or solution and led to the recommendation included in this form.*

The Oregon Housing Needs Analysis, in noting a need to produce 36,000 homes per year for the next 10 years, also noted that the area of largest need is to produce subsidized affordable housing that the market is not producing on its own, for those making 60% of AMI and below. Many cities who are evaluating their housing capacity and production needs are considering a wide range of tools to facilitate the creation of a range of housing types to serve diverse residents in their communities.

Thousands of acres of land throughout Oregon are currently included in the Urban Growth Boundaries (UGBs), may or may not be included on the 20-year Capital Improvement Plans (CIP) and in many cases are included in the Buildable Land Inventories (BLI) and yet remain undeveloped due to the cost and complexity of providing the critical infrastructure of water, sewer, and transportation infrastructure. To make land more ready for housing production throughout Oregon, it is key for the state to dedicate funds to activate buildable land for housing.

3. To assess the issue and potential action(s), include subject matter experts representing all sides of the issue in work group meetings, including major government, industry, and stakeholder associations.

- a. *List the observers and participating SMEs at the work group meetings as the recommendation was developed. Identify which participating SMEs provided information to the work group and how. Summarize the information and perspective provided by the participating SMEs. If the participating SMEs expressed disagreement or concern with the work group recommendation, describe the reason.*

Land Availability Work Group Meeting Date	SME	Observers
5/25/2023	Sean Edging, Housing Planner with the DLCD, provided an overview of the Oregon Housing Needs Analysis Recommendation Report and the OHNA implementation work that he and the department will be working on over the 23-25 biennium which focused on housing production, affordability, and	Mary Kyle McCurdy (1000 Friends), Ted Red (Metro), Anneliese Koehler (Metro), Laura Combs (Metro) and Michael Burdick (AOC), Brian Hoop (Housing Oregon), Ariel Nelson (League of Oregon Cities), Michael Burdick (Association of Oregon Counties)

	choice to the Land Availability work group meeting 3. Presentation on Recording.	
6/7/2023	SME(s) presentation not relevant to this recommendation	Mary Kyle McCurdy (1000 Friends), Ted Reid (Metro), Anneliese Koehler (Metro), Laura Combs (Metro), Brock Nation (Oregon Realtors), and Michael Burdick (AOC), Brian Hoop (Housing Oregon), Ariel Nelson (LOC),
6/21/2023	David Brandt, Exec Director of Housing Works, a nonprofit affordable housing developer, provided a presentation at the Land Availability work group meeting 5 scheduled on 6/21/2023. He described his experience working with state and public entities for land acquisition for the development of affordable housing.	Mary Kyle McCurdy (1000 Friends), Ted Reid (Metro), Anneliese Koehler (Metro), Laura Combs (Metro), Brock Nation (Oregon Realtors), Jeremy Rogers (Oregon Realtors) and Ariel Nelson (LOC).
7/5/2023	Lynne McConnell, City of Bend Housing Manager: Referenced Infrastructure Projects inside the City of Bend that are counted in BLI but have never been built on due to expensive infrastructure projects that make the development too expensive to make financially feasible.	Mary Kyle McCurdy (1000 Friends), Brian Hoop (Housing Oregon), Brock Nation (Oregon Realtors), Trell Anderson (Housing Oregon), Ramsay Weit (Housing Oregon)
7/19/2023	Andy Shaw, Metro Planning and Development, Interim Director provided a presentation to the Land Availability Work Group at their 7 th meeting scheduled on Wed, July 19 th . He overviewed land readiness as an important factor for achieving positive housing production outcomes both within areas inside UGBs	Travis Phillips,(Housing Development Center) ,Eryn Kehe (Metro), Laura Combs (Metro), Trell Anderson (Housing Oregon), Michael Burdick (AOC)

	and expansion areas in the Portland Metro region.	
8/2/2023	SME(s) presentation not relevant to this recommendation	Ted Reid (Metro), Anneliese Koehler (Metro), Laura Combs (Metro), Trell Anderson (Housing Oregon), Travis Phillips (Housing Oregon), Ramsay Weit (Housing Oregon), Ariel Nelson (LOC), Mary Kyle McCurdy (1000 Friends), Peggy Lynch (LWVOR), Eric Zechenelly (OMHA)
8/16/2023	Andy Shaw provided a presentation that overviewed Metro's understanding of House Bill 3414. Andy underscored the need for land readiness planning on lands inside and outside of UGBs.	Andy Shaw (Metro), Ted Reid (Metro), Anneliese Koehler (Metro), Laura Combs (Metro), Trell Anderson (Housing Oregon), Ariel Nelson (LOC), Mary Kyle McCurdy (1000 Friends), Peggy Lynch (LWVOR), Eric Zechenelly (OMHA), Jay Blake (City of Warrenton), Gail Henrikson (Clatsop County), Melody Rudenko (DSL), Mark Landauer (Special Districts), Lauren Poor (OFB), Tracy Rainey (Clean Water Services), Nick Green (Catalyst)

Meeting Date	Description
7/21/2023	Land Availability Work Group members, Elissa Gertler and Deb Flagan, Finance Work Group members, Ivory Matthews and Daniel Bunn, met with Department of Land Conservation and Development (DLCD) staff to talk about the OHNA policy and impacts to work related to land readiness, Buildable Land Inventory, and the Housing Capacity and Housing Production Strategy program under Goal 10. DLCD Staff: Ethan Stuckmayer, Sean Edging, and Mari Valencia Aguilar
7/24/2023	Land Availability Work Group members, Elissa Gertler and Deb Flagan, Finance Work Group members, Ivory Matthews and Daniel Bunn, met with Business Oregon staff, Karen Homolac and Becky

	Baxter, to discuss the existing funding programs for infrastructure housed at the state agency aimed at informing recommendation.
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Finance Work Group SME applicable to this recommendation:

- Abigail Elder, City of Hood River
- Kurt Krueger, City of Portland
- Ben Bryant, Asst. City Manager at Happy Valley
- Ariel Nelson, League of Cities
- Derrik Tokos Civil Engineer
- Deb Guillard and John Gillarducci (SDC contractors)
- ECONW staff

- **Written Documentation: Central Oregon Land Watch** – Document drafted by this organization outlining projects in Bend that are stalled due to Infrastructure/Costs (See Attachments to access this document.)

- **Written Documentation: City of Albany** - Document drafted by the City outlining two vacant land pieces inside the UGB (counted in BLI) that are stalled due to infrastructure requirements/costs. (See Attachments to access this document.)

4. Provide an overview of the expected outcome of the recommended action(s), including quantitative/qualitative context if available.

- a. *Outline the desired result or outcome of the recommendation for both housing production and different individuals and communities.*

Upon establishing a funding source, Business Oregon, OHCS, and DLCD should establish production targets to align with funding structure (e.g. revolving or forgivable loans, grants)

5. Estimate of the time frame (*immediate, short, medium, long-term*), feasibility (*low, medium, high*), and cost (*low, medium, high*) for implementation of the recommended action(s).

Time Frame	Feasibility	Cost
<input type="checkbox"/> Long-term	<input type="checkbox"/> High	<input checked="" type="checkbox"/> High
<input type="checkbox"/> Medium-term	<input checked="" type="checkbox"/> High	<input type="checkbox"/> Medium
<input checked="" type="checkbox"/> Short-term	<input type="checkbox"/> Medium	<input type="checkbox"/> Low
<input type="checkbox"/> Immediate	<input type="checkbox"/> Low	

Add additional context here: *n/a*

6. Provide a general overview of implementation, the who and how for the recommended action(s).

- a. *To the extent the work group knows, is this implemented in state statute or rule, by the state or local government, by a particular agency, etc.*

Governor's Office: Propose Housing Infrastructure Investment Fund and funding source

State Legislature: Pass legislation enabling Housing Infrastructure Investment Fund and funding source

Business Oregon: Develop and implement Housing Infrastructure Investment Fund grant/revolving loan program for 10 years, report on progress annually

DLCD/OHCS: Provide input and guidance to Business Oregon regarding appropriate criteria to support cities who are aggressively promoting housing production, affordability (possibly including weighted scale based on BIPOC affordable, Affordable Housing Non-Profits, Affordable Housing For-Profit), and choice.

7. Outline the data and information needed for reporting to track the impact and implementation of the recommended action(s).

- a. *Identify the data the Governor's Office would need to track to determine if the recommendation is increasing housing production. Flag any areas where data does not exist leaving a gap in understanding outcomes or impacts.*

Upon establishing a funding source, the Governor and legislature should work with appropriate state agencies and stakeholders to determine appropriate annual funding amounts and production targets.

Business Oregon will report back annually on total infrastructure need and progress toward housing targets at each income level, and will measure state investment per unit, by income level.

8. Identify any major externalities, unknowns, tradeoffs, or potential unintended consequences.

- a. *Based on the work group's analysis and information provided by participating SMEs, outline what is unknown, the tradeoffs exist by implementing the recommendations, and any known potential unintended consequences. Identify if there are any potential unintended impacts on different individuals or communities.*

Determining a significant new funding source to pay for a new state program could be politically and financially challenging and reaching consensus among various interest groups about what to pay for and how will require a thoughtful process to come to agreement.

However, housing production throughout Oregon will continue to face significant barriers if the state does not find a way to assist cities in making major investments in water, sewer, and transportation infrastructure that they cannot afford on their own.

Please include any relevant reports, data analyses, presentations, or other documents that would be informative and useful for the full HPAC as the recommendation is discussed and considered.

- Business Oregon Infrastructure and Facilities Inventory Program. Click on the link to access:
https://www.oregon.gov/biz/programs/homeareas/infrastructure/Pages/infrastructure_and_community_facilities_inventory.aspx
- Central Oregon LandWatch Infrastructure Document
- City of Albany's 53rd Ave Extension Project Fact Sheet
- City of Albany's Timber Street Extension Project Fact Sheet
- Andy Shaw, Metro, Land Readiness Presentation (7/19/2023)
- Metro Development Readiness Assessment Presentation by EcoNW (3/15/2023)

Tackling the housing crisis in Bend, Oregon and beyond

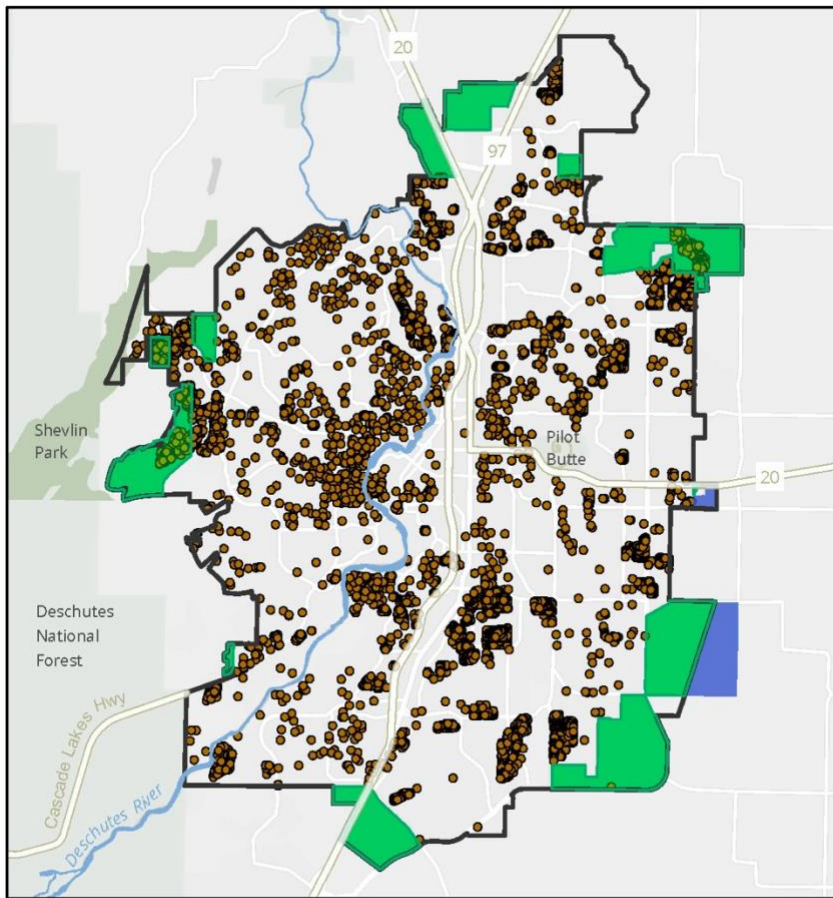
Effective, near-term, consensus-based solutions for the 2023 Oregon Legislative Session

Housing options for all

Shelter is a fundamental human need. Housing options for all are the cornerstones of safe, stable, equitable, and thriving communities. Oregon, like the rest of the nation, is in a housing crisis. **The big takeaways:** We can help deliver abundant housing options to Oregon’s communities by: 1) Working together this legislative session to implement effective, *consensus-based* policies; and 2) Providing state funding for housing-related infrastructure.

City of Bend case study: Making the most of what we have

Central Oregon is the fastest-growing region statewide – and we’ve been planning for this growth. In 2016, Bend added 2,380 acres across ten different expansion areas to its urban growth boundary (UGB) to



accommodate a minimum of 5,370 housing units.

However, most new residential development activity has occurred within Bend’s existing neighborhoods – not in expansion areas (see map). **Over the past six years, less than 10% of total possible housing units have been built in Bend’s expansion areas.** Why?

2016 UGB Process: Ten Expansion Areas¹

Total Expansion Area Acres	2,380 acres
Minimum possible housing	5,370*
Total housing units built to-	509** (9%)

Housing-related infrastructure funding is key

In addition to market factors, like interest rates and building costs, infrastructure improvements are one of the most significant barriers to available land becoming shovel-ready for housing

development. Bringing new water, sewer, and transportation infrastructure to undeveloped areas is expensive, complex, and time-consuming. In Bend’s expansion areas, there is a \$101 million funding gap for

¹ Sources: City of Bend Comprehensive Plan (Chapter 11), City of Bend Community Data Explorer, Bend Land Information System (BLIS)

*This number does not include middle housing opportunities afforded by HB2001. It is the minimum required for each expansion area. The number of housing units that could be built in these areas is even higher.

**Source: November 2022 City of Bend staff analysis, subject to change

transportation infrastructure alone². This doesn't include sewer, water, and other utility costs, which substantially increase this funding gap. It's the same story in 'small scale' UGB Amendments/Expansions that have been added to Bend's UGB via state legislation (2016's HB4079 Affordable Housing Pilot and 2020's HB3318 Steven's Road Tract): Infrastructure costs have been a significant barrier to much needed housing being built.

Areas Added via State Legislation		
Legislation	Acres	Possible Housing Units
Stevens Tract (2020)	261	2,400 (800 affordable: 60-80% AMI)
HB 4079 Pilot (2016)	35	345 (138 affordable: 80% AMI)
TOTAL	296	2,745
TOTAL BUILT	0	0%

Bend's Expansion & Legislatively Added Areas	
Total acres	2,676
Total possible housing units	8,115
Total housing units built to-date	509
% of possible housing units built	6%

Consensus-based policies & infrastructure funding can deliver housing options for all

Like other Oregon cities, right now Bend has available land within its current UGB that can become housing if we **implement consensus-based housing policies, including providing significant state funding for housing-related infrastructure.**

The [Oregon Department of Land Conservation & Development and Oregon Housing & Community Services report to the 2023 Legislature](#) outlines policies that have broad stakeholder support and consensus because they will have the most significant impact on meeting Oregon's housing needs. To meaningfully tackle Oregon's housing crisis, it will be important to move all OHNA's consensus-based policy recommendations forward – and the recommendation to **commit substantial and sustained state resources for housing production, affordable housing production, and development readiness, including infrastructure funding, is particularly critical.** A good place to start is committing sustained investment in the production of housing that the market is unlikely to produce on its own, including investments in infrastructure and development readiness, system development charges (SDCs), and gap funding and loan guarantees for affordable and diverse housing options.

It will also be important to not get bogged down with concepts that lack consensus. As noted by OHCS and DLCDC, small scale UGB amendment/expansion policy options are contentious, not fully developed, and are not one of the most impactful policies for delivering more housing, quickly.³ Nearly seven years after its passage, the affordable housing pilot created by HB4079 has not yet delivered any housing units to the communities where it has been implemented (Bend, Redmond, Pendleton). **By focusing on areas of consensus and providing state funding that helps cities make the most of what they have, we can significantly increase the housing quantity, choice, and affordability that families need, in Bend and every Oregon community.**

City of Bend housing-related infrastructure needs

The City is unable to meet all its infrastructure needs through existing funding mechanisms. For example, per

² [2020 Bend Transportation System Plan, page 121](#)

³ [Oregon Housing Needs Analysis \(OHNA\) Recommendations Report: Leading with Production](#), pg. 9; Land Conservation and Development Commission meeting, [DLCDC testimony](#), November 17, 2022: 3:14:47 & 3:17:16

the City's 2020 Transportation System Plan, the estimated funding need over the next 20 years is \$942M and with a funding gap of \$463M. Contributing factors include declining federal and state funding sources, limited local funding for multiple city-wide priorities including police, fire, and housing; limited ability for Oregon cities to raise revenue through property taxes; a backlog of deferred maintenance; and increasing construction and maintenance costs. While SDCs are the largest local funding source, funding is limited to specific capital projects. New, substantial, and sustained state resources for infrastructure funding are needed to close the funding gap and tackle Bend's housing crisis.

Infrastructure investments in key areas will unlock critical housing needs and help create complete communities. Bend has areas that have been designated to accommodate more of Bend's rapid growth and deliver complete communities with more affordable housing options close to essential services. These Expansion and Opportunity areas are where transformative infrastructure investments can help address Bend's most pressing issues and deliver multiple benefits to our community. State funding for housing-related infrastructure investments in these areas would:

- Catalyze more affordable housing and mixed-use development in our communities;
- Provide more equitable housing and transportation options to marginalized and underserved community members;
- Tackle climate change by reducing greenhouse gas emissions from transportation;
- Support a vibrant, diversified economy where businesses and their employees thrive; and
- Provide more safe, accessible ways to get around town that don't always require a car.

With this lens, the following infrastructure projects are key priorities in our community. While City of Bend's infrastructure needs are far greater than this list, this provides a targeted look at what kinds of investments are needed to tackle the housing crisis in our community in ways that make Bend a more vibrant, equitable and healthy place for all. City of Bend estimates that with these investments, 3,050 housing units and 4,450 jobs would be created. Over \$60M of local funds and \$250M of private investment could be leveraged with these projects.

- **Hawthorne Overcrossing (\$10M):** A new, vital, and catalytic overcrossing to connect bike and pedestrian routes between Downtown and the Bend Central District.
- **Key Walking and Biking Routes (\$25M):** Infrastructure needed to complete Bend's twelve walking and biking routes that are the backbone of the City's low stress network.
- **Central Interceptor Project (\$12M):** This sewer project is essential for increased (re)development of the Core Area, as well as the future designation of Climate Friendly Areas.
- **Southeast Area Plan Sewer (\$16M):** Essential sewer infrastructure is needed to develop more than 400 acres of land in a UGB expansion area, which would support 1,230 dwellings, 2,800 jobs, a neighborhood park, elementary school, and multi-use paths.
- **TOTAL: \$63M**

As legislators craft solutions to Oregon's housing crisis, we urge you to explore programs and funding mechanisms that help communities like Bend close the gap on their infrastructure needs and in doing so, deliver more housing options to our communities with urgency.ⁱ

ⁱ This memo was created by Central Oregon LandWatch | www.centraloregonlandwatch.org | Corie Harlan, Cities & Towns Program Manager, corie@colw.org

ALBANY, OREGON

53rd Ave. Extension

THE BOTTOM LINE

Albany has one of the largest undeveloped industrial zoned sites on the West coast.

Limited truck access and wetland encumbrances have deterred site selectors, industrial users, and residential development due to high cost, timeline, and regulatory uncertainty.

\$28M

ESTIMATED COST

BACKGROUND

Much of south Albany has sat idle due to ODOT requirements for a primary access point from the northwest, including a new rail crossing, signaling and right of way development. Additionally, large wetlands encumbrances have increased regulatory uncertainty and development timelines beyond what is feasible for new projects. **To create shovel ready projects, the City of Albany needs to acquire right of way access and build a rail crossing at 53rd St. and road extension.**

IMPACT

Access to land in south Albany will allow for one of the **largest economic development opportunities in the west coast** (242 acres/2000+ jobs), while also opening access to over **685 acres of residential** development potential (3,700 dwelling units) and a key commercial site envisioned to accommodate a grocery store in south Albany, **effectively eliminating a food desert**. The City of Albany and the state of Oregon regularly loses job creating projects for lack of buildable lands. This project presents the opportunity to promote innovative and new family waged jobs while unlocking crucially needed residential development lands and promoting affordable housing.



CONTACT

Seth Sherry, Economic Development Manager
541-231-4870 | seth.sherry@cityofalbany.net

ALBANY, OREGON

Timber St. Extension

THE BOTTOM LINE

Extending Timber St. creates a large shovel ready I-5 frontage job creating site.

Limited access has deterred site selectors, industrial users, and low-income residential development due to high cost, timeline, and regulatory uncertainty.

\$8.4M

ESTIMATED COST

BACKGROUND

One of Albany's premier job creating sites has sat idle due to ODOT requirements for a new primary access point from the northeast to allow for increased truck traffic from the site. Uncertainty on timelines and ability to extend Timber St. for site egress have deterred job creating projects. **To attract a shovel ready project**, the City of Albany needs to acquire right of way access, extend utilities, and build a 4-lane extension of Timber St., connecting it to Hwy 20 and I-5.

IMPACT

Access to key land-locked properties in east Albany will allow for a large **prime I-5 frontage economic development opportunity (67 acres/500+ jobs)**, while also opening access to over **15 acres of low-income residential development potential**. The City of Albany and the state of Oregon regularly lose job creating projects for lack of buildable lands. This project presents an opportunity to promote innovative and new family waged jobs while unlocking crucially needed residential development lands and promoting affordable housing in partnership with a local affordable housing builder.



CONTACT

Seth Sherry, Economic Development Manager
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Land Readiness & Development Outcomes

HPAC Land Availability
Working Group
July 19, 2023

Andy Shaw, Metro



Metro

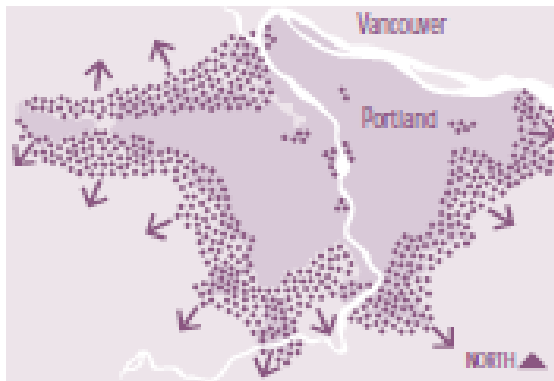


Agenda

- Development outcomes in past Metro UGB expansion areas
- What is land readiness?
- Metro UGB land exchange

1990's: desire for unified vision

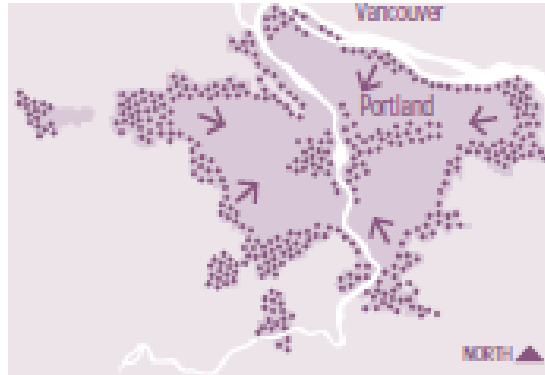
Concept A Growing out



Significant expansion of the UGB; new growth at urban edge develops mostly in the form of housing.

284,000 acres in UGB
(51,000 acres added to UGB)

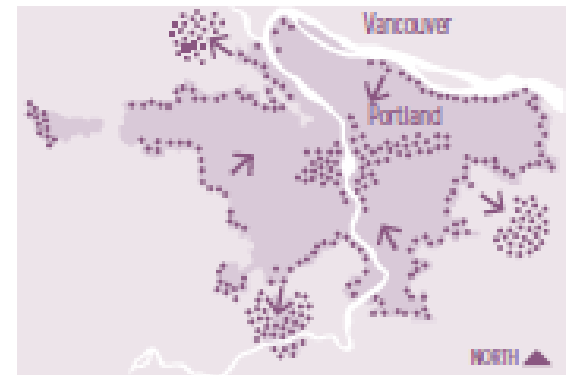
Concept B Growing up



No UGB expansion; growth accommodated through development of existing land within the urban growth boundary.

234,000 acres in UGB

Concept C Neighboring cities



Moderate expansion of the UGB; growth focused in centers, corridors and neighboring cities.

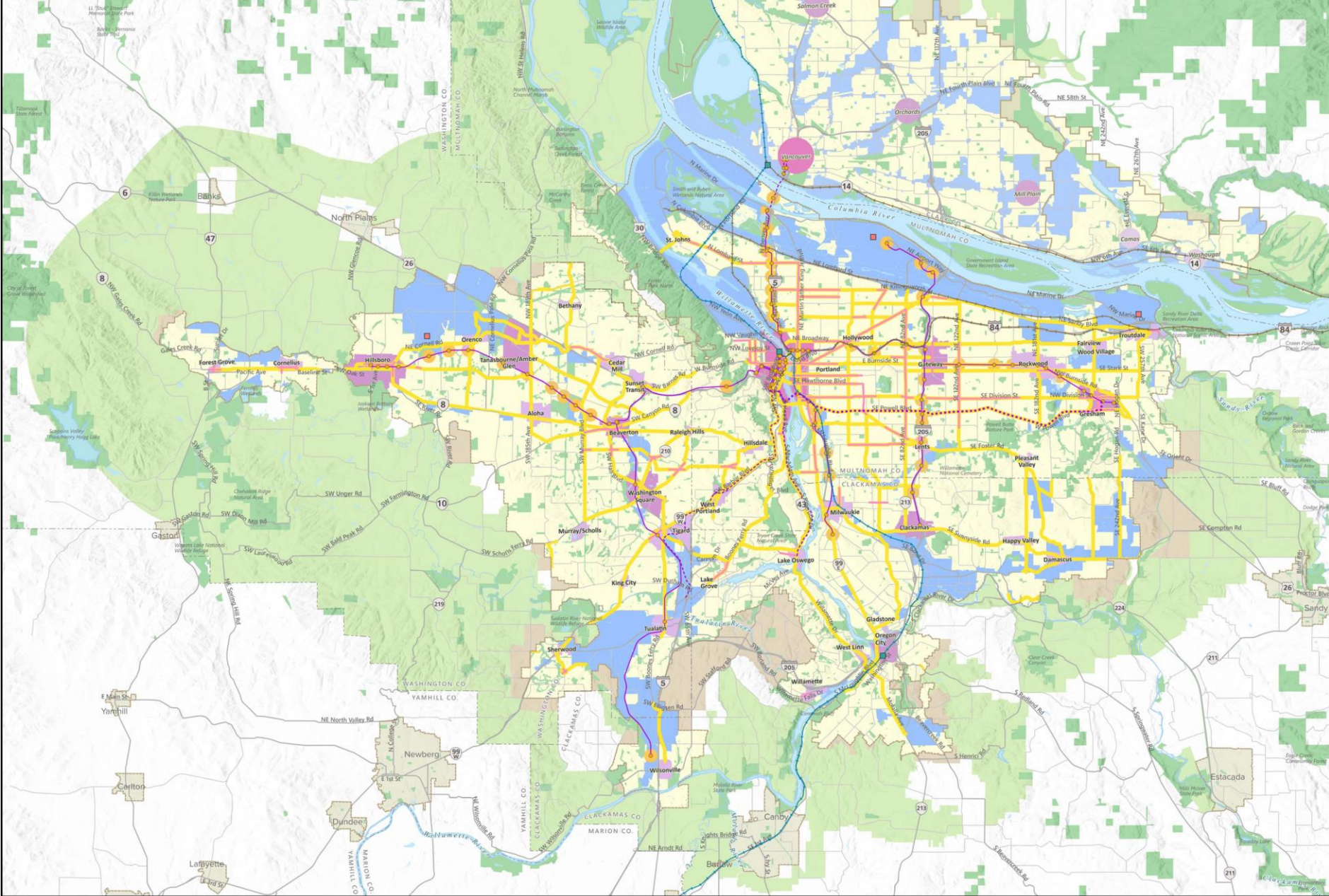
257,000 acres in UGB
(22,000 acres added to the UGB)

2040 Growth Vision

2040 recommended alternative



Growth is encouraged in centers and corridors with increased emphasis on redevelopment within the urban growth boundary.



2040 Growth Concept Map

December 2018

0 6 12 Miles
0 10 20 Kilometers

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

The Metro 2040 Growth Concept defines the form of regional growth and development for the Portland metropolitan region. The Growth Concept was adopted in December 1995 through the Region 2040 planning and public involvement process. This concept is intended to provide long-term growth management of the region.

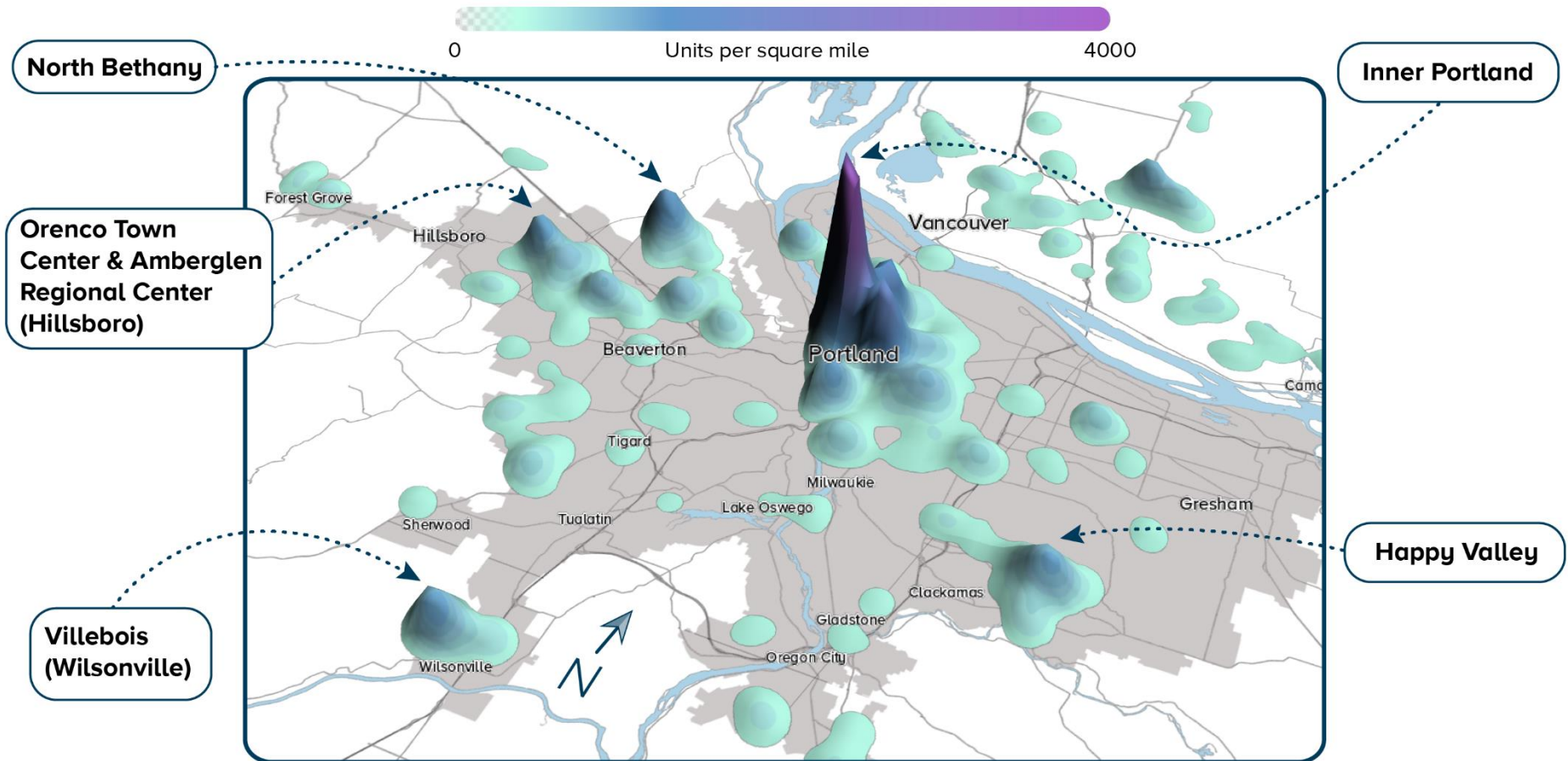
The map highlights elements of parallel planning efforts including: the 2018 Regional Transportation Plan that outlines investments in multiple modes of transportation, and a commitment to local policies and investments that will help the region better accommodate growth within its centers, corridors and employment areas.

- Central city
- Employment land
- Parks and natural areas
- Neighboring cities
- Regional center
- Neighborhood
- Rural reserve
- Airports
- Town center
- Urban reserve
- Intercity rail terminal
- Station communities
- Urban growth boundaries
- Main streets
- Existing high capacity transit
- Planned high capacity transit
- Proposed high capacity transit tier 1
- Corridors
- Mainline freight
- High speed rail (proposed)
- County boundaries



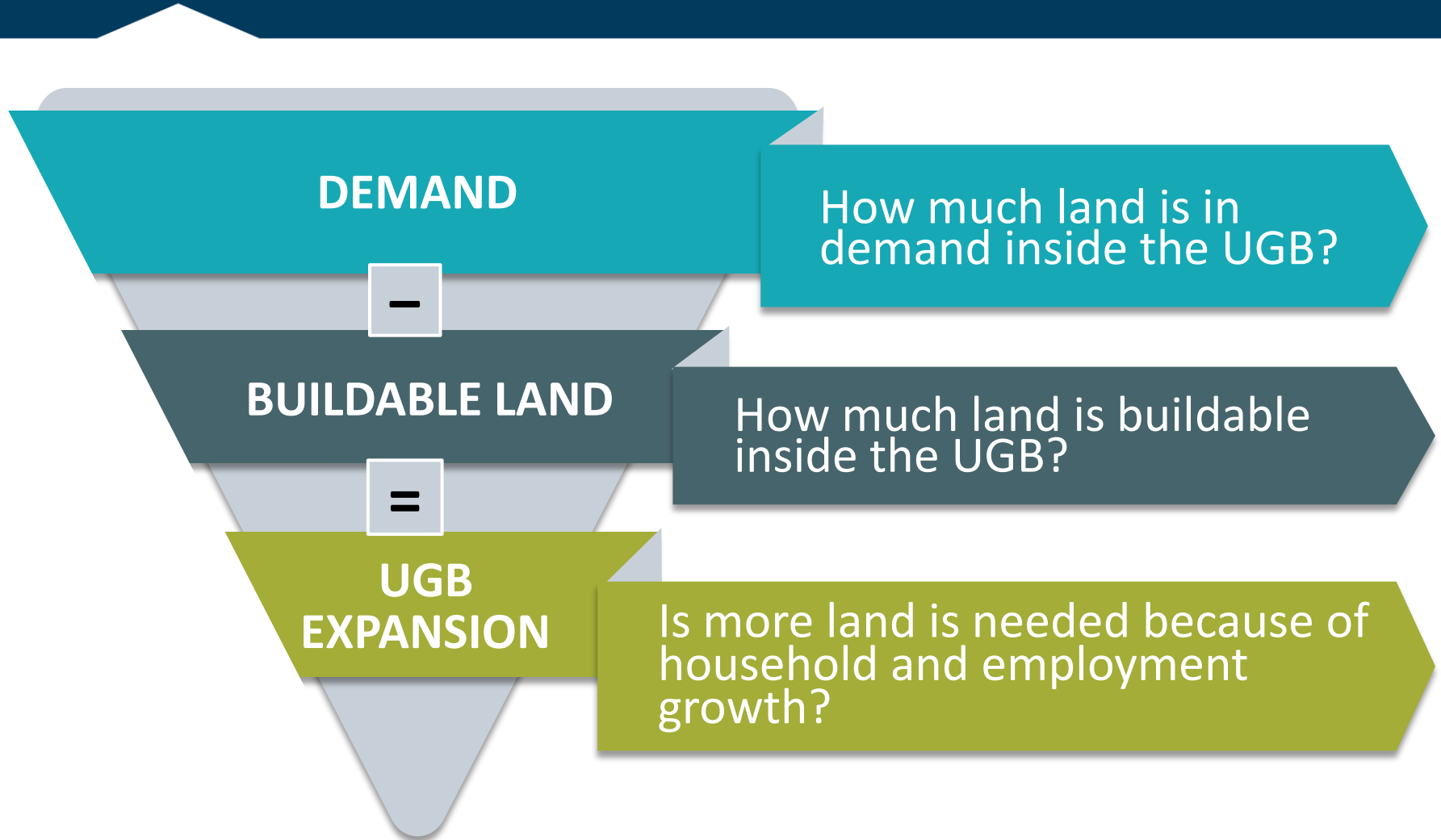
Growth is happening where intended

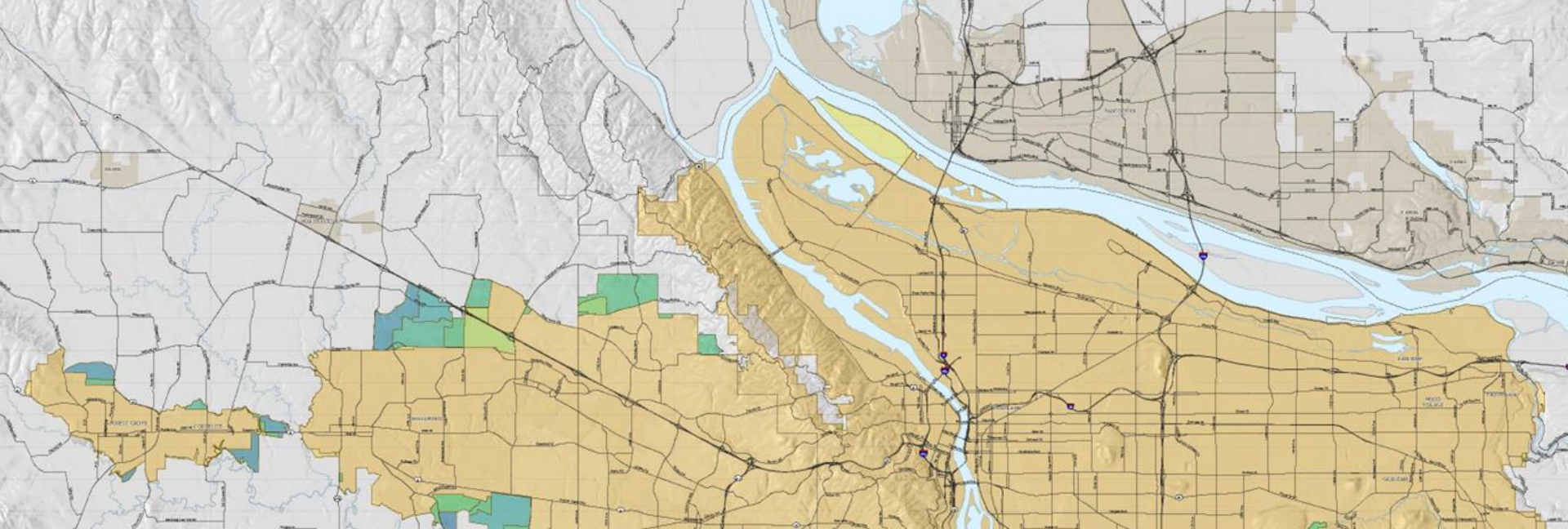
Housing permits in the Portland Metro area, 2009-2017 - units per square mile



Source: Construction Monitor data report Q1 2009 - Q2 2017. Created October 2017

Oregon growth management basics

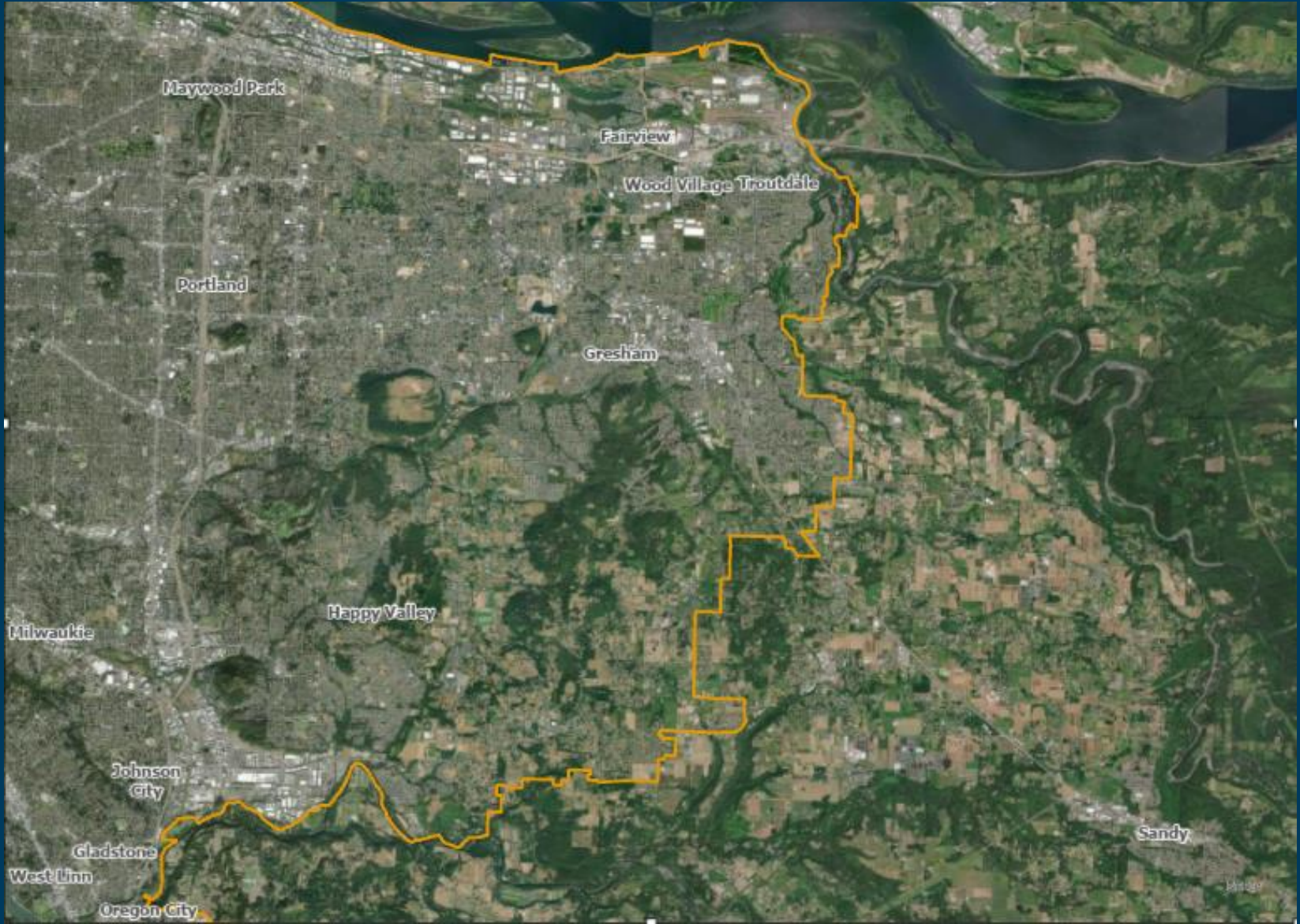




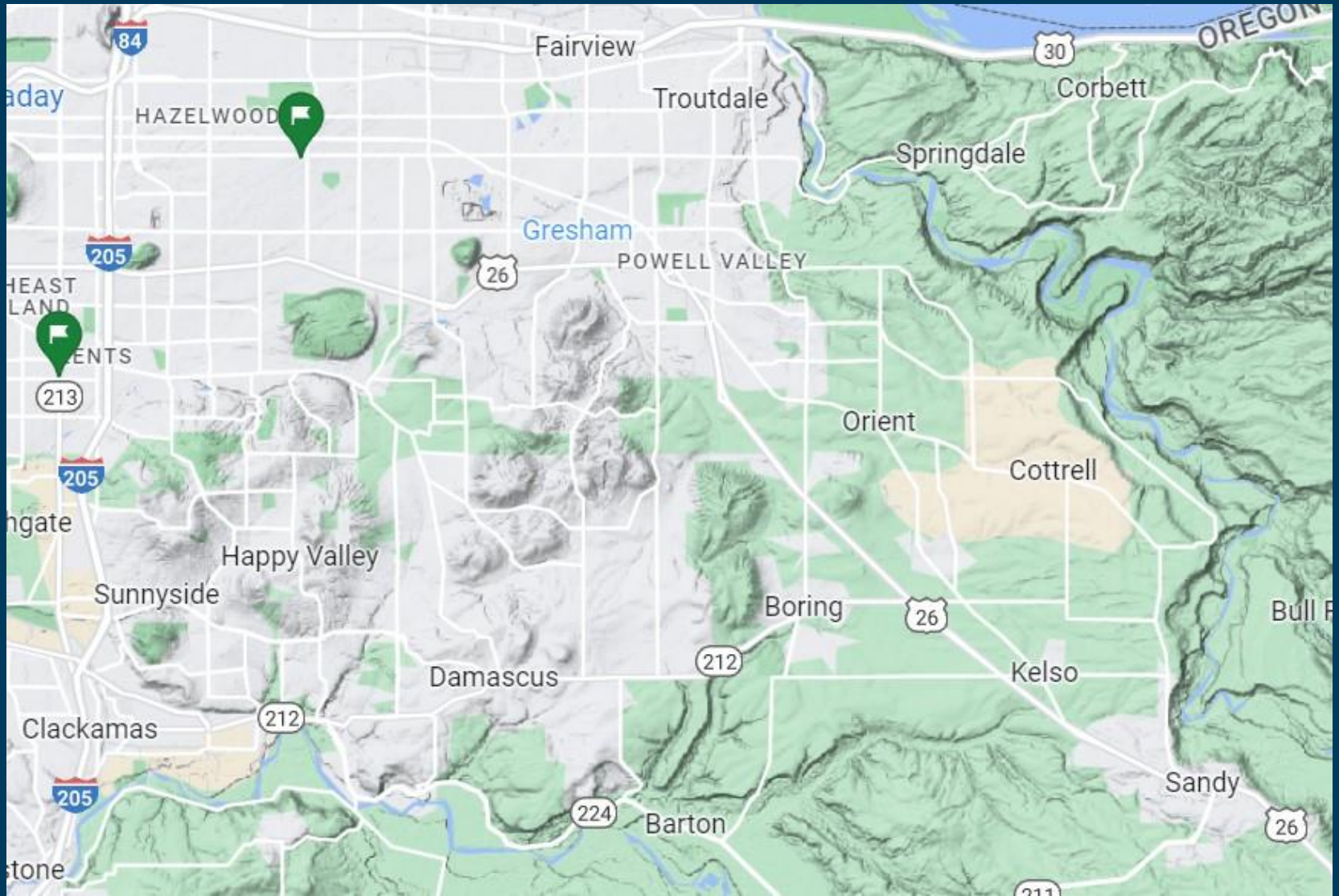
Urban Growth Boundary Expansion History

- | YEAR - ACRES | |
|---------------|----------------|
| 2018 - 2,200 | 1997 - 17 |
| 2017 - 82 | 1996 - 2 |
| 2014 - 1,180 | 1995 - 77 |
| 2013 - 42 | 1993 - 71 |
| 2012 - 10 | 1992 - 336 |
| 2011 - 2,017 | 1991 - 13 |
| 2008 - 14 | 1990 - 7 |
| 2007 - 4 | 1989 - 24 |
| 2006 - 16 | 1988 - 127 |
| 2005 - 630 | 1987 - 527 |
| 2004 - 1,750 | 1986 - 87 |
| 2003 - 1 | 1985 - 48 |
| 2002 - 17,756 | 1984 - 43 |
| 2001 - 139 | 1983 - 1,439 |
| 2000 - 333 | 1982 - 46 |
| 1999 - 323 | 1981 - 112 |
| 1998 - 2,374 | 1980 - 1,818 |
| | 1979 - 227,403 |
-
- County lines
 - Highways
 - Arterial streets
 - City limits

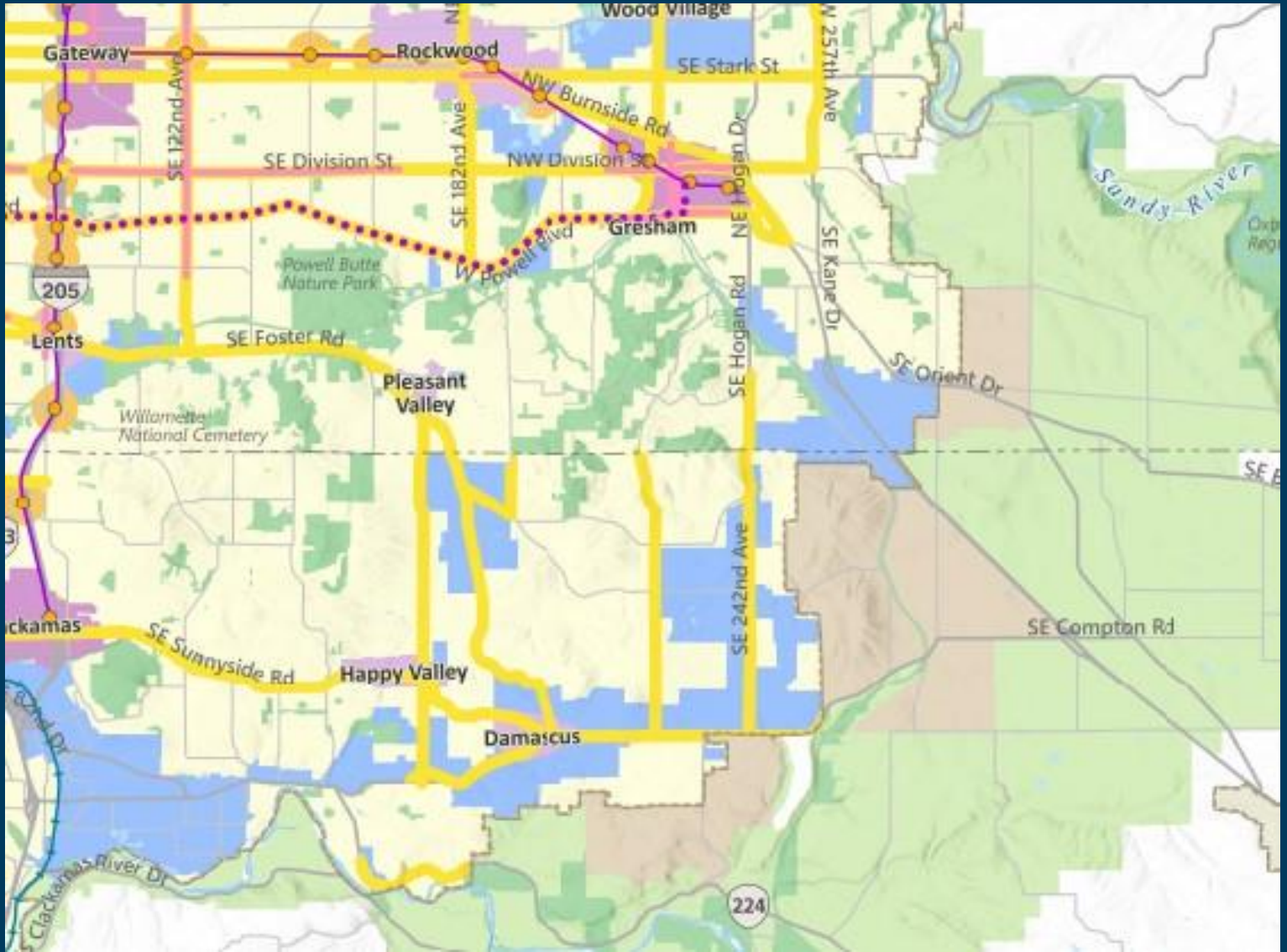
Metro region – Damascus



Metro region – Damascus



Metro region – Damascus



Land readiness

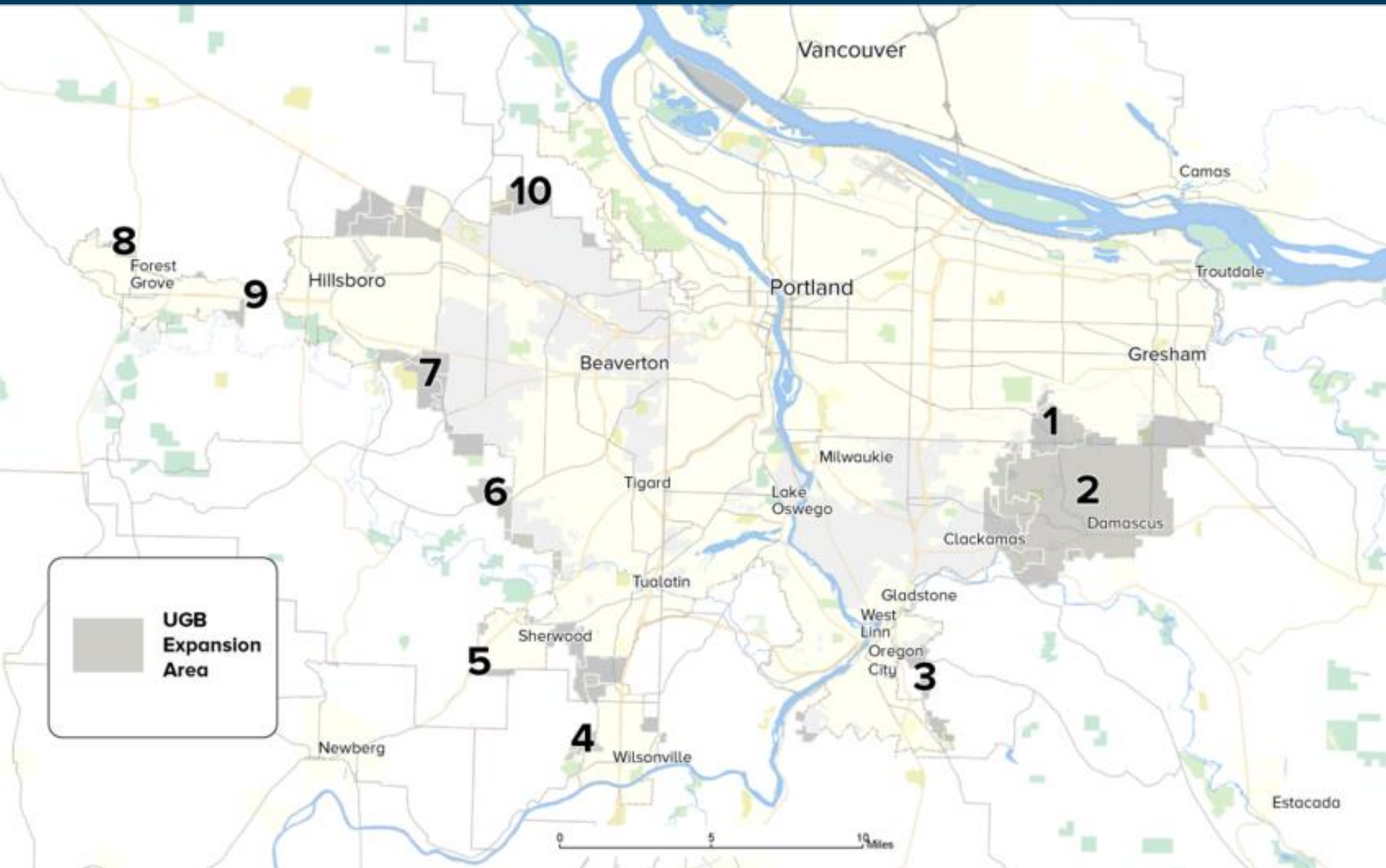
What are the circumstances where housing and employment land development has successfully happened in past UGB expansion areas?

What are typical barriers to development?

Land readiness is essential

UGB expansions only produce jobs or housing when governance, infrastructure and market are addressed.





Factors that influence development outcomes



Parcel size and developability



Market alignment



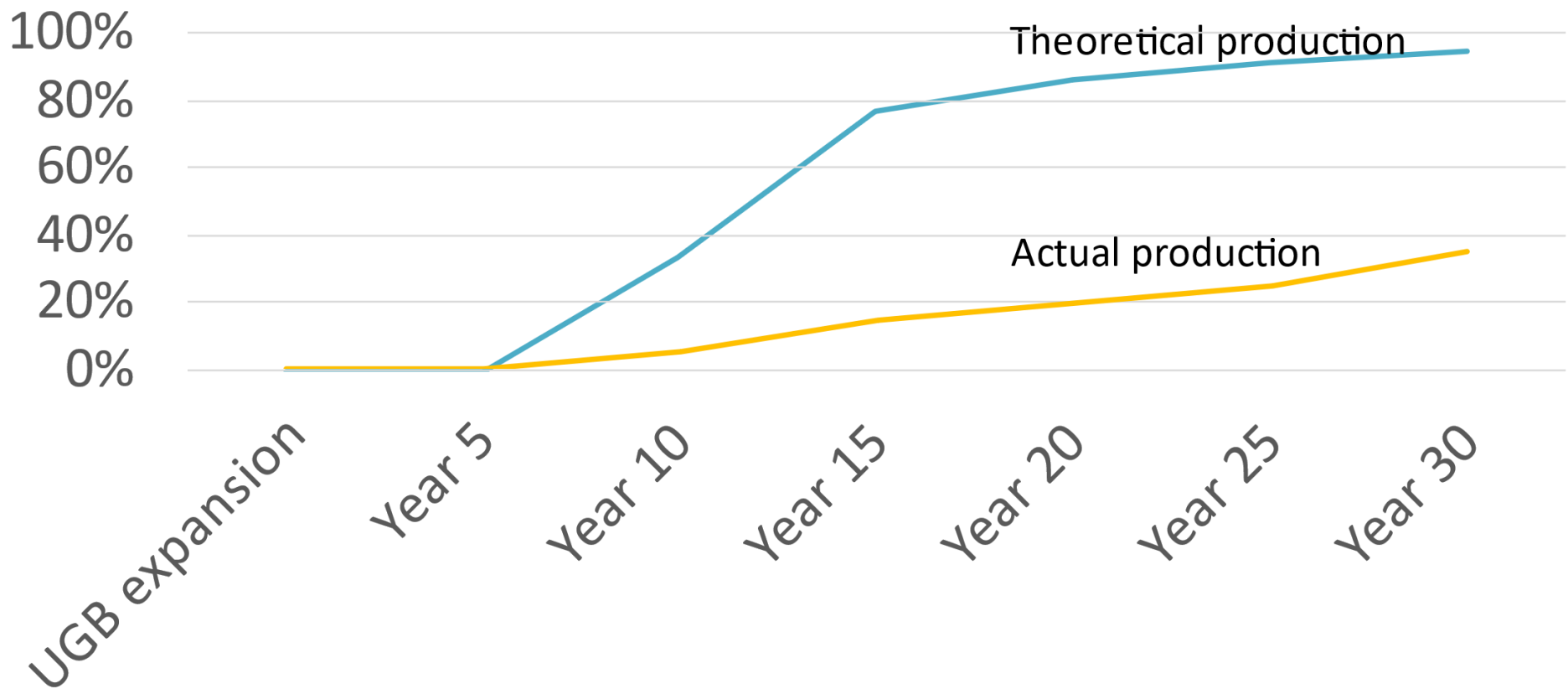
Infrastructure serviceability, costs, and funding plans



Governance & local leadership

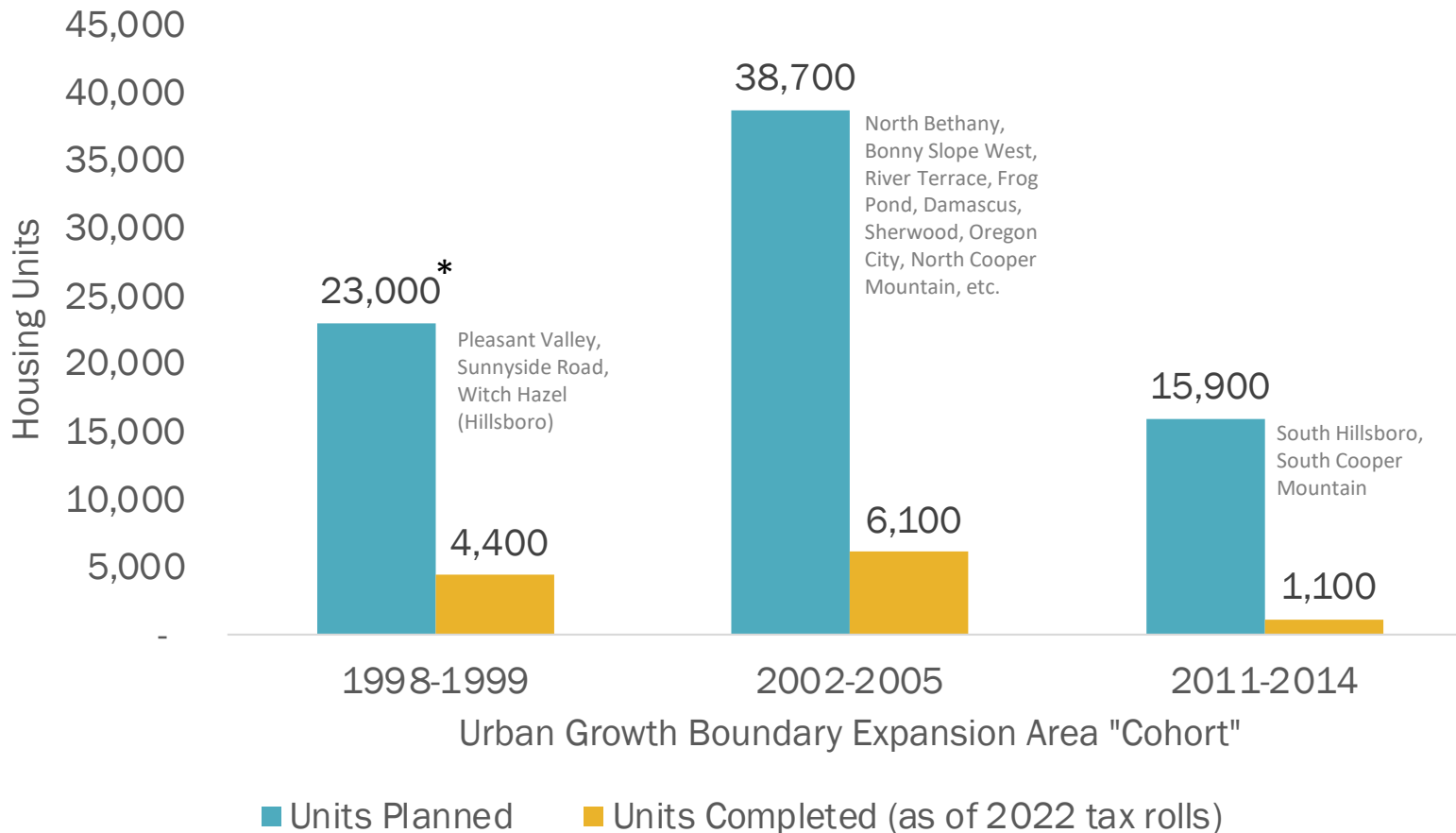
Past UGB expansions developed slowly when they weren't driven by city proposals

Share of expected homes built (illustrative)



Past UGB decisions that did not emphasize readiness have been slow to produce housing

Estimated Housing Units Planned & Completed in Past UGB Expansion Areas



Pleasant Valley, Sunnyside Road, Witch Hazel (Hillsboro)

North Bethany, Bonny Slope West, River Terrace, Frog Pond, Damascus, Sherwood, Oregon City, North Cooper Mountain, etc.

South Hillsboro, South Cooper Mountain

Sources: Units planned: Metro UGB History; Deliveries: ECONorthwest analysis of 2022 RLIS tax lot data. Note that tax lot data tends to lag construction completions, sometimes by up to a year. *Units planned may include portions of Wilsonville's Villebois, which is not included in estimated units completed.

Metro improved its growth management process to focus on readiness

Old system



New system

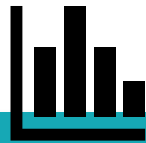


Metro residential readiness project

Research and analysis to guide Metro's 2024 Urban Growth Management Decision



Development
Readiness



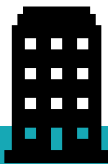
Population &
Development
Trends



Housing Filtering &
Market Functions



Gentrification &
Displacement
Risk



Office-to-Residential
Conversion Potential



Middle Housing
Potential



Existing Housing
Needs

2024 UGM decision



■ Technical work and analysis

Forecasts

Trends analysis

Land inventories

Modeling

■ Stakeholder engagement

Jurisdictional outreach

Stakeholder group

Youth cohort

■ City expansion proposals

Dec 2023: Letters of interest due

April 2024: Proposals due

2040 Planning & Development Grants available

■ Metro Council decision

Summer 2024: Draft UGR

Stakeholder group, COO recommendations

Fall 2024: MPAC, CORE recommendations

Council direction to staff

Public hearings

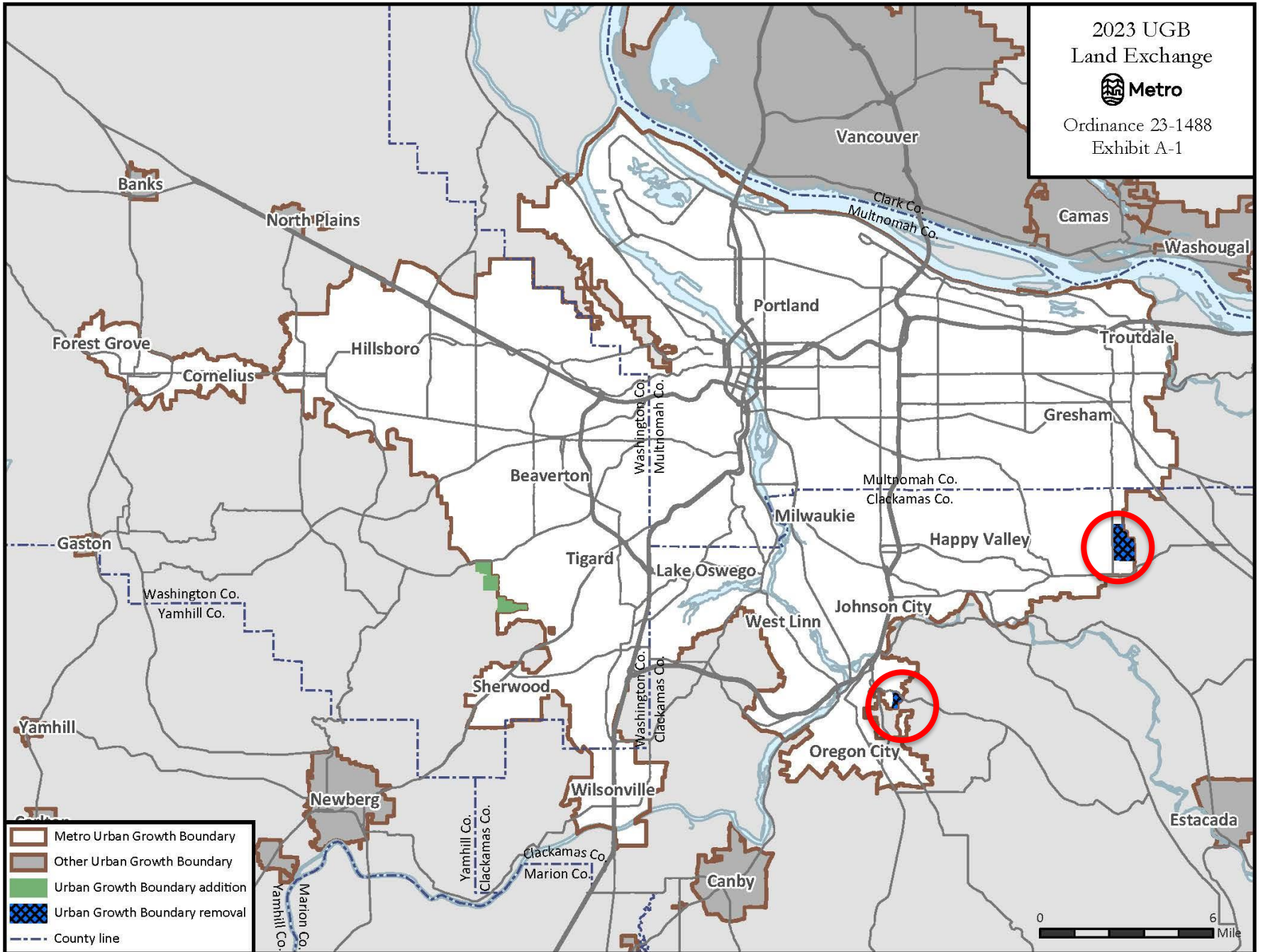
Dec 2024: Council decision




Mid-cycle UGB land exchange

2023 UGB
Land Exchange

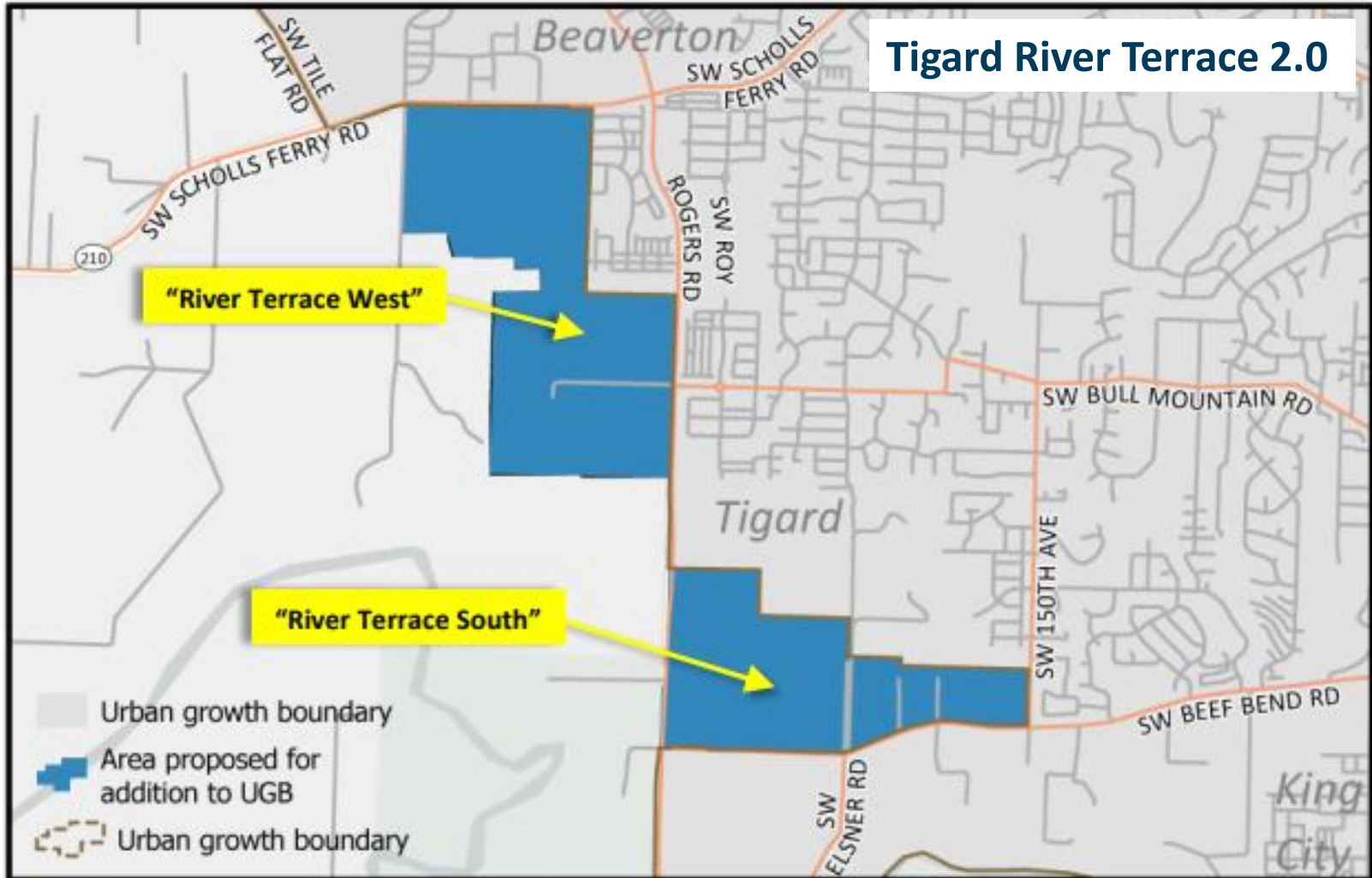


Ordinance 23-1488
Exhibit A-1

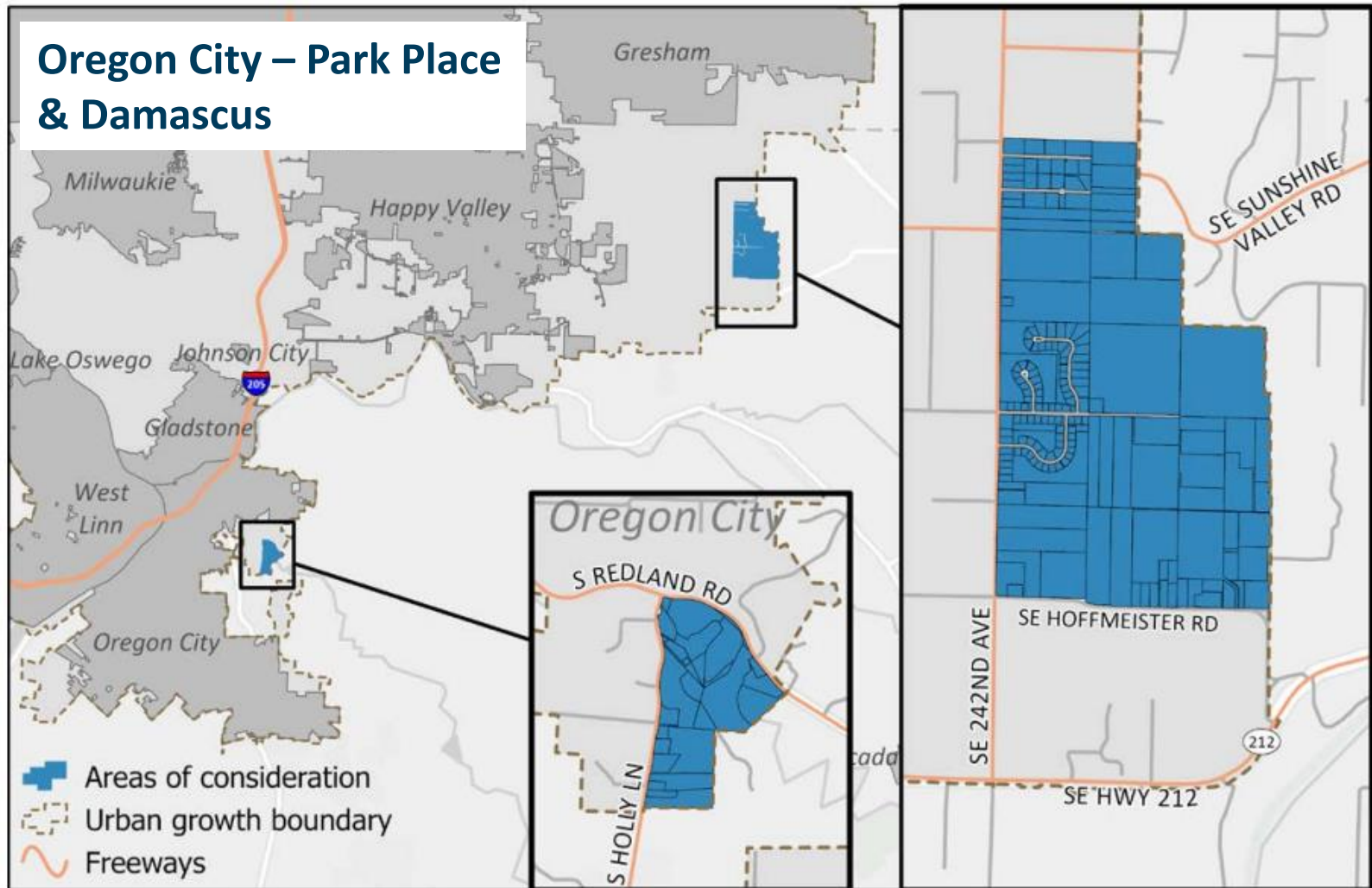


-  Metro Urban Growth Boundary
-  Other Urban Growth Boundary
-  Urban Growth Boundary addition
-  Urban Growth Boundary removal
-  County line

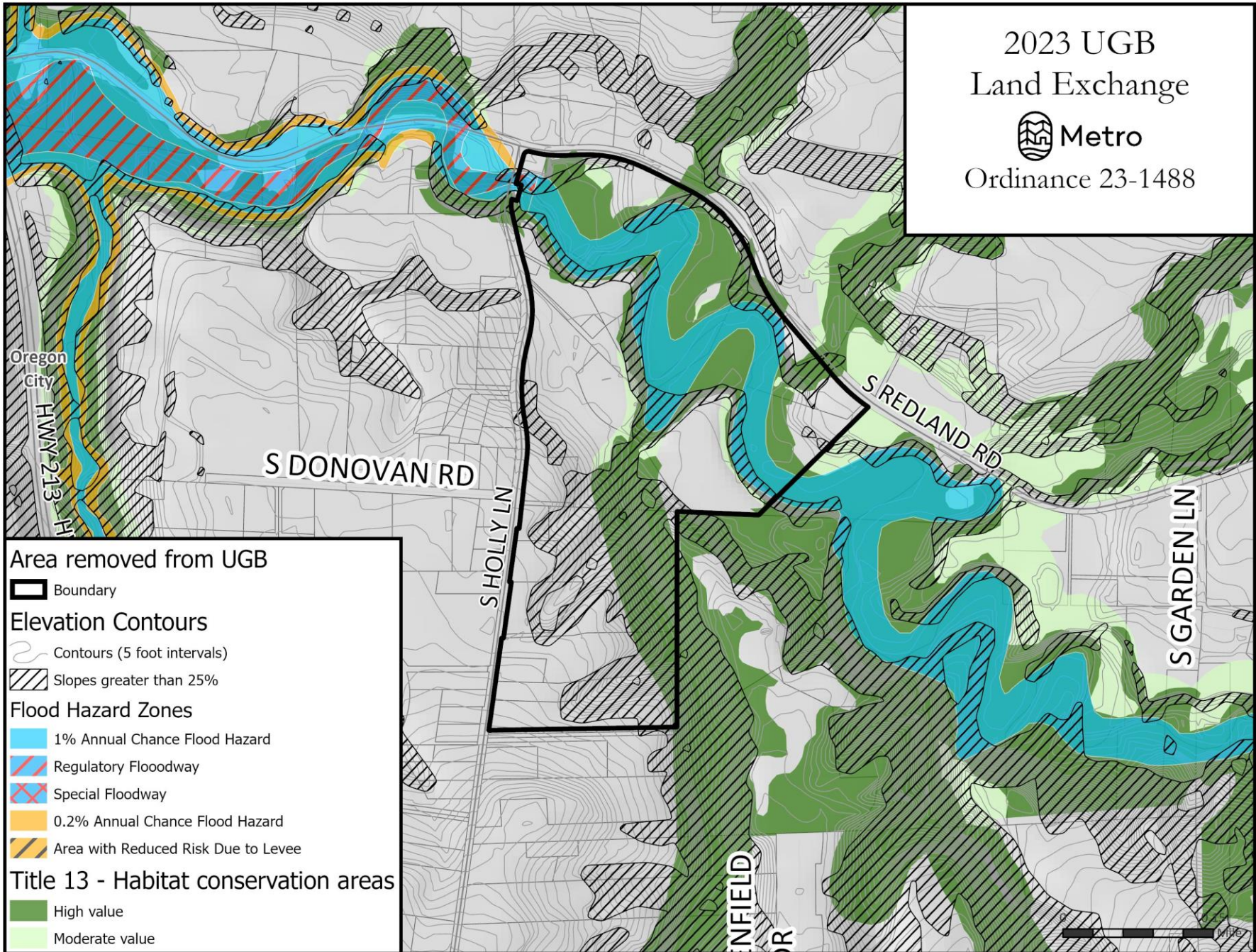
Mid-cycle UGB land exchange: Areas added



Mid-cycle UGB land exchange: Areas removed




2023 UGB
 Land Exchange
 Metro
 Ordinance 23-1488



Area removed from UGB


 Boundary

Elevation Contours


 Contours (5 foot intervals)

 Slopes greater than 25%

Flood Hazard Zones

 1% Annual Chance Flood Hazard


 Regulatory Floodway


 Special Floodway

 0.2% Annual Chance Flood Hazard

 Area with Reduced Risk Due to Levee

Title 13 - Habitat conservation areas

 High value

 Moderate value

River Terrace 2.0: Infrastructure Costs

Infrastructure Type	Estimated Total Cost	Revenue Sources
Water Service	\$10,661,000	Utility fees, SDCs
Sanitary Sewer Service	\$5,876,000	CWS SDCs
Stormwater Management	\$33,559,465	SDCs, CWS Regional Stormwater Management Charge
Parks & Trails	\$35,534,426	Parks SDCs, grants, cost reductions
Transportation	\$75,400,000	SDCs, supplemental transportation fees, MSTIP, Washington County TDT
Tile Flat Road Extension (Framework B)	\$9,770,000	
Total	\$170,800,891	

This table does not include the cost to build out the local street network or provide local service connections; those costs will be born by the developers of future projects within the Concept Plan area.

Questions?

Andy Shaw, Metro

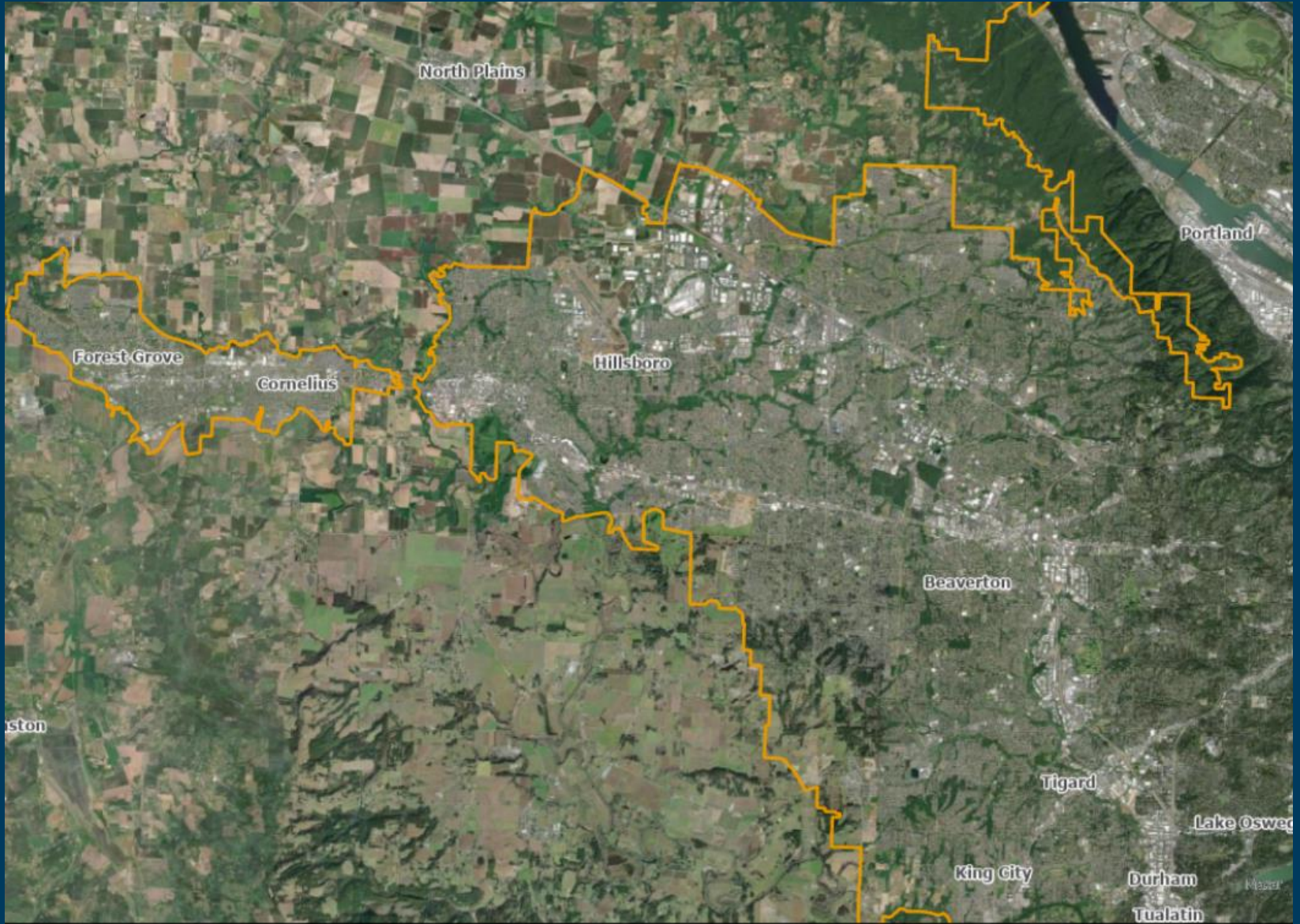
Director of Government
Affairs and Policy
Development

Andy.Shaw@oregonmetro.gov

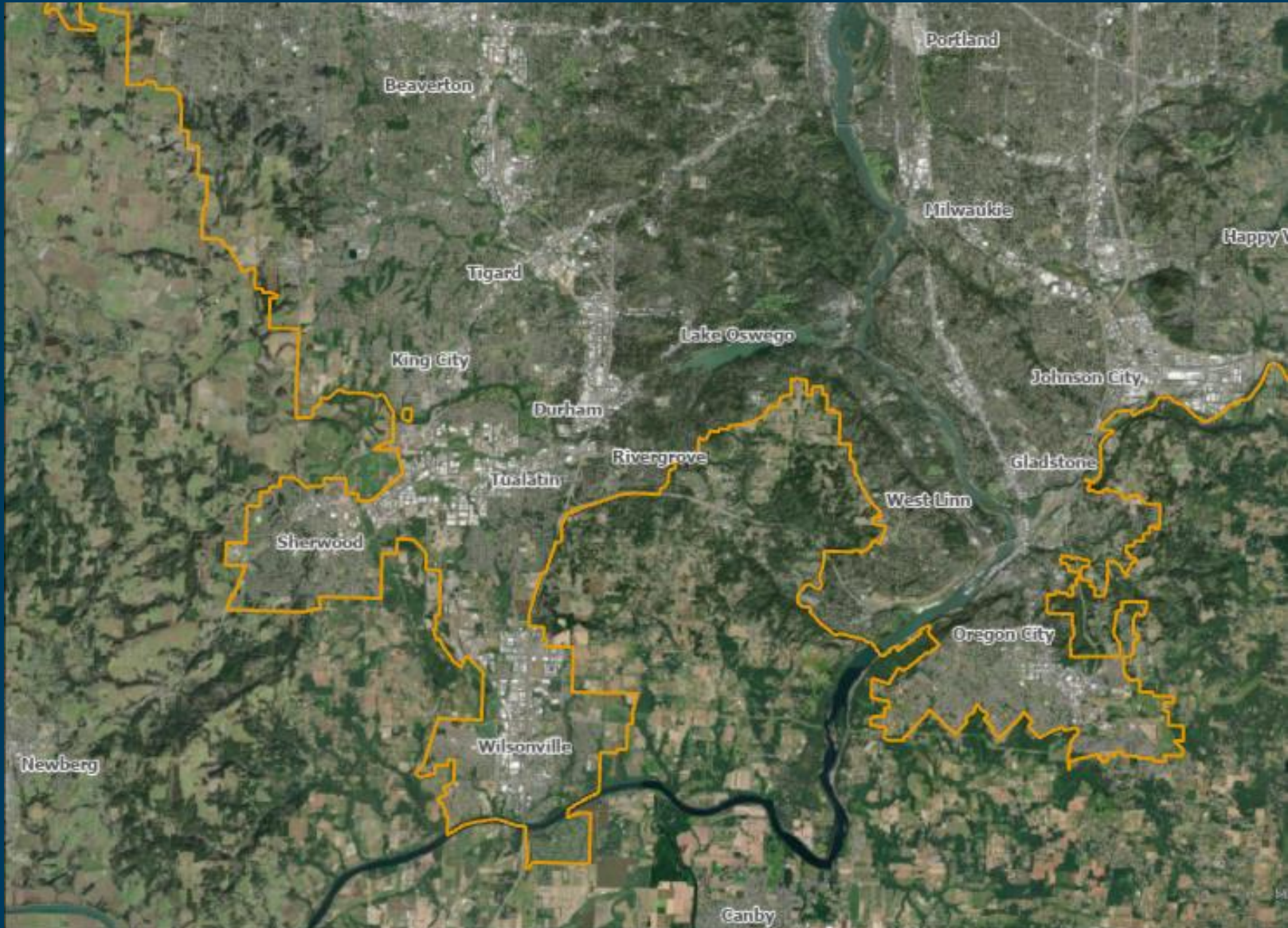
oregonmetro.gov



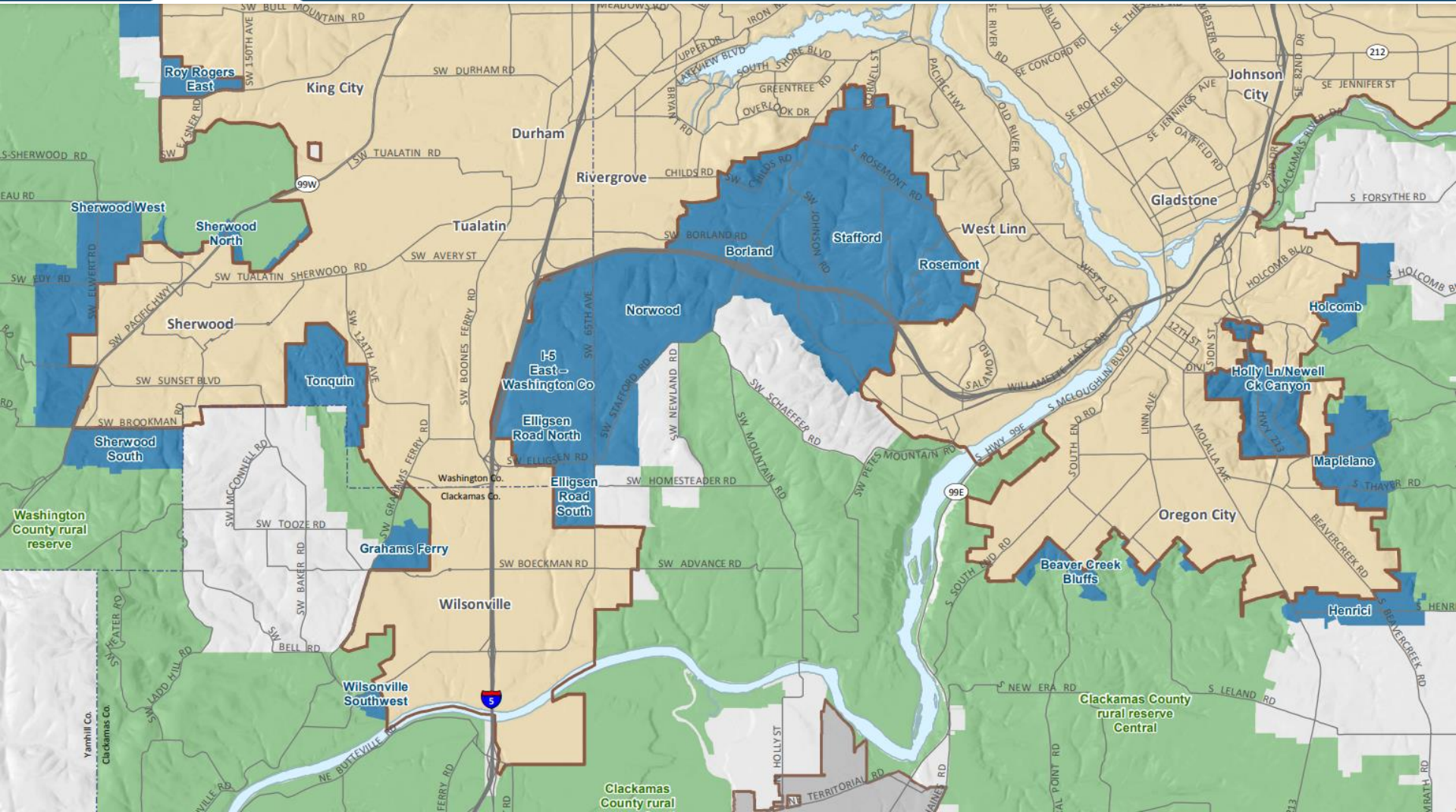
Metro region - west



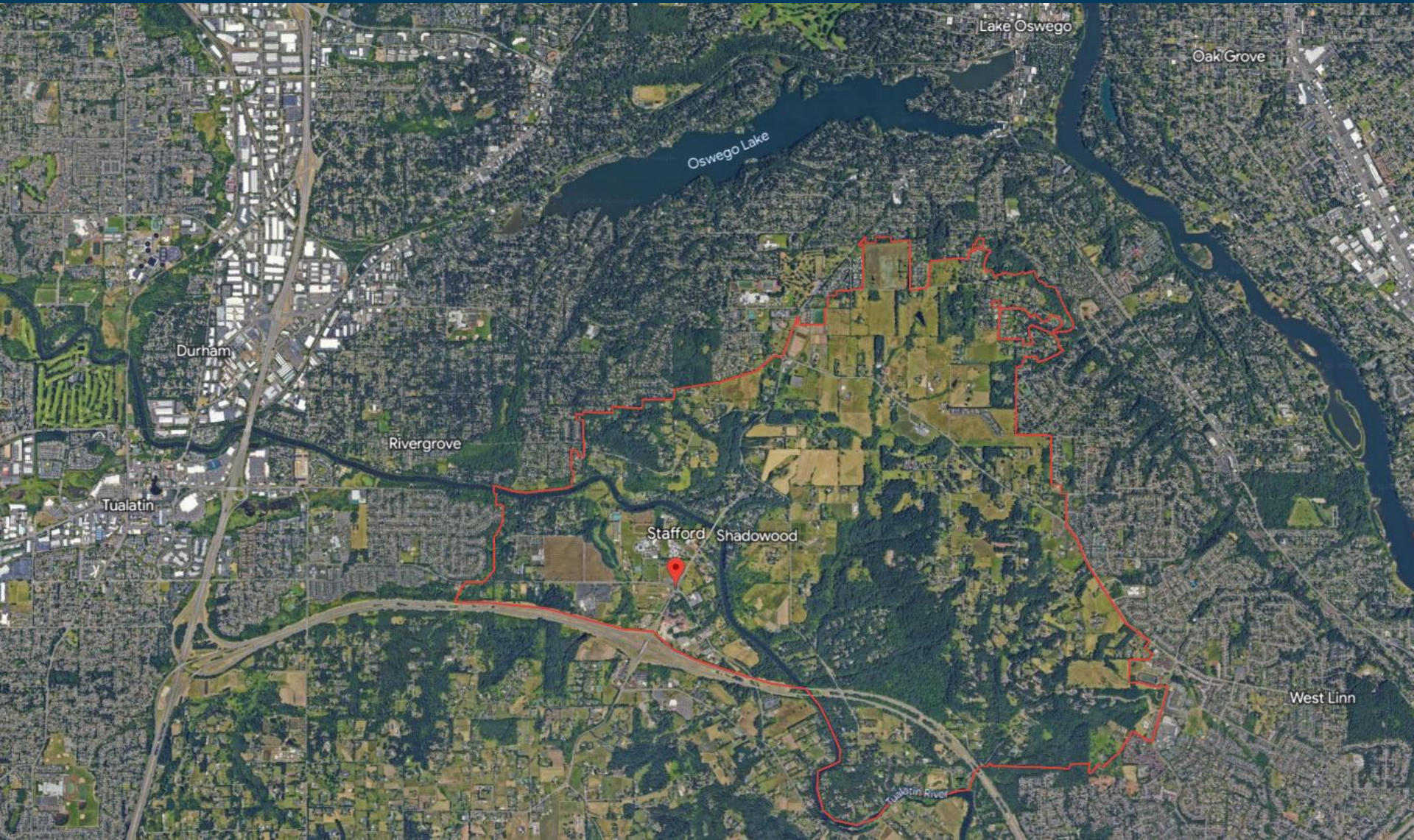
Metro region - south



Stafford



Stafford



Metro Development Readiness Assessment

Metro Technical Advisory Committee

Becky Hewitt, Project Director

March 15, 2023

ECONorthwest
ECONOMICS • FINANCE • PLANNING



Today's Agenda

- Overview of the Project
- Overview of Development Readiness Analysis
 - Past Urban Growth Boundary Expansion Areas
 - Metro Town Centers & Corridors
- Q&A

Metro Residential Readiness Project

Research and analysis to
guide Metro's 2024
Urban Growth
Management Decision

Updates to development
capacity / supply model



Development Readiness



Population & Development Trends



Housing Filtering & Market Functions



Gentrification & Displacement Risk



Office-to-Residential Conversion Potential



Middle Housing Potential



Existing Housing Needs

Development Readiness Analysis

- Goal is to illuminate the circumstances under which housing and employment land development has or hasn't happened in past UGB expansion areas
- Identify typical barriers to mixed-use development in urban locations inside the UGB

Urban Growth Boundary Expansion Areas

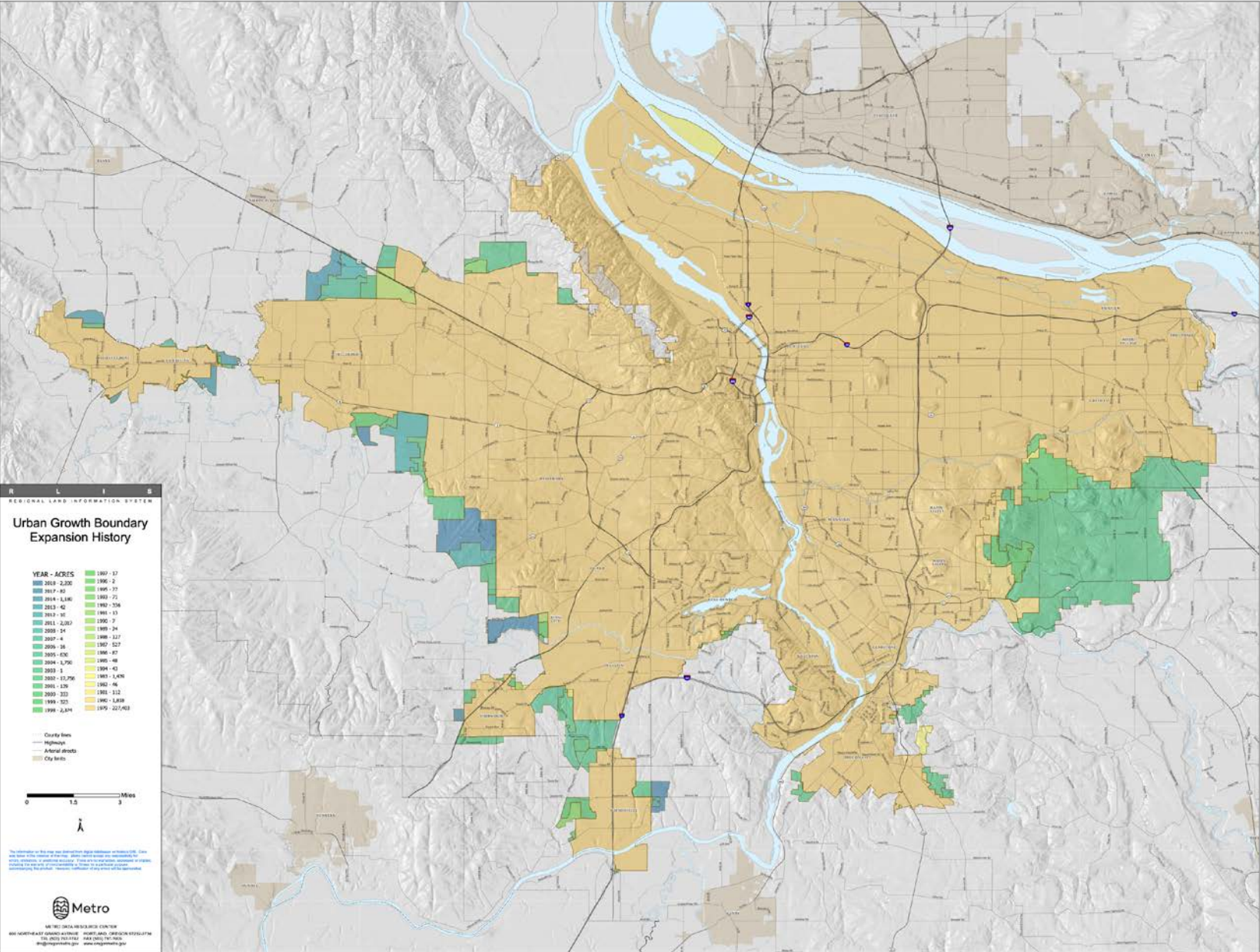
Metro UGB Expansions Over the Years

Focus on major UGB expansions in:

- 1998-1999
- 2002-2005
- 2011-2014
- 2018

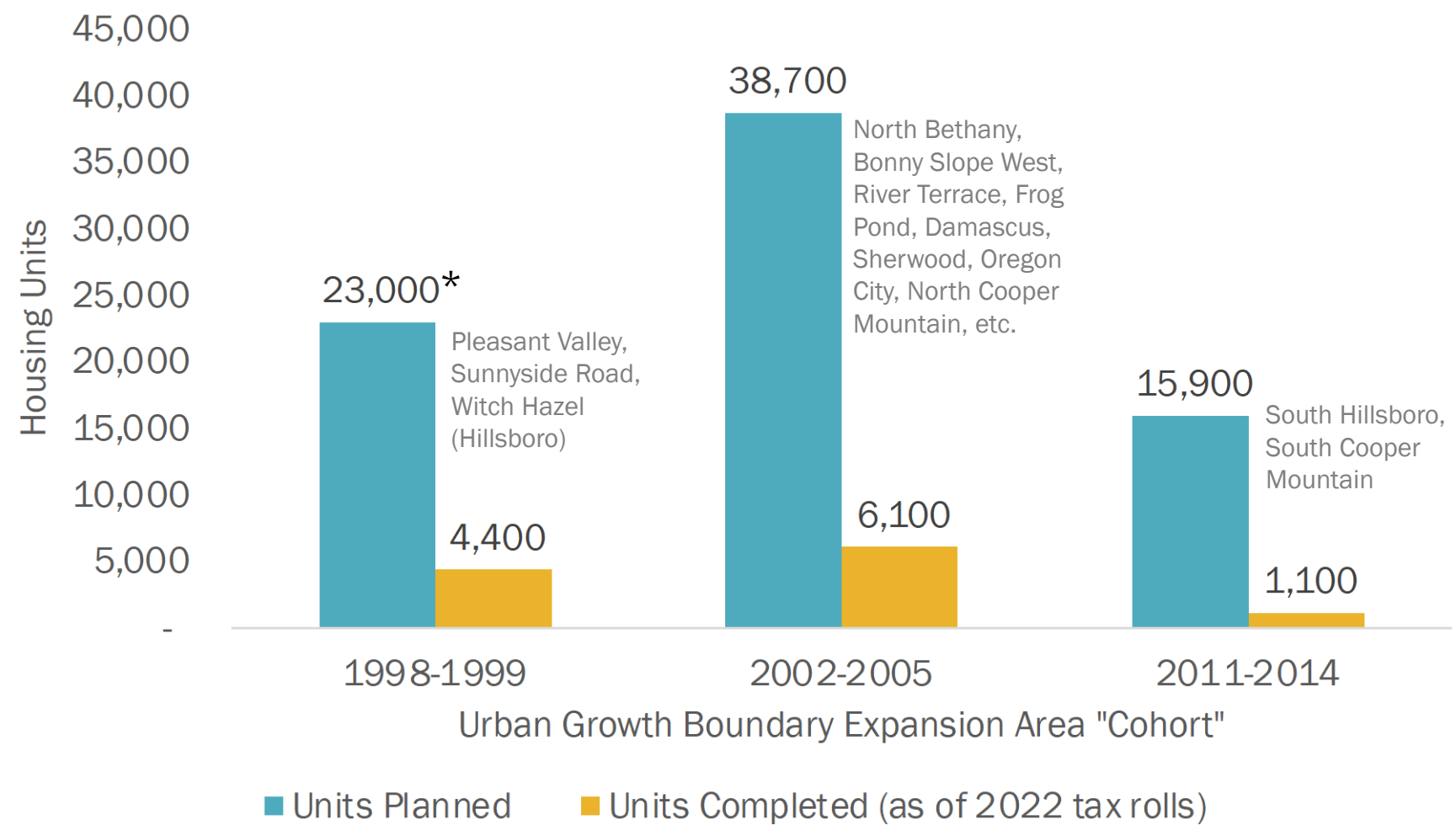
“Where are they now?”
approach for each
“cohort”

Data sources: Metro historical UGB expansion area boundaries, tax lot data, employment data (QCEW), CoStar



Housing Production in UGB expansions Has Lagged Targets

Estimated Housing Units Planned & Completed in Past UGB Expansion Areas



Sources: Units planned: Metro UGB History; Deliveries: ECONorthwest analysis of 2022 RLIS tax lot data. Note that tax lot data tends to lag construction completions, sometimes by up to a year.

* Units planned may include portions of Wilsonville's Villebois, which is not included in estimated units completed.

Take-aways: Key factors that influence development outcomes



Parcel size and developability



Market alignment



Infrastructure serviceability, costs, and funding plans



Governance & local leadership

Key Factors: Parcel Size & Developability

What's the issue?

- Rural residential parcels are challenging:
 - Existing residents often oppose urbanization
 - Less cost-effective to consolidate and develop
 - Harder to achieve scale for master planning
 - Not well suited for employment uses
- Resource constraints can limit development potential, fragment buildable land

What's working?

- Urban reserves – less reliance on exception land
- Developers consolidating site control to allow bigger master planned developments

Key Factors: Market Alignment

What's the issue?

- Demand for housing in many areas (maybe stronger on west side)
- Commercial & employment more challenging
 - Some areas not well-suited for employment uses(e.g., not flat enough to cost-effectively develop with larger employment uses, far from major transportation facilities).
- Commercial generally follows residential—need enough customers to support new businesses.

What's working?

- Early involvement by developers in planning for expansion areas (prior to and following UGB decisions)
- Expanding where the demand is for a given land use

Key Factors: Infrastructure

What's the issue?

- Infrastructure is a substantial expense in nearly all expansion areas
- Topography and physical conditions increase cost and difficulty of building infrastructure
- Making initial investments to enable development requires proactive support and creative funding/financing mechanisms
- Major industrial & employment development often can't front infrastructure costs

What's working?

- Early infrastructure assessment and planning (prior to and following UGB decisions)
- Bringing in areas that are easier to serve
- Proactive role by cities in establishing funding mechanisms & advancing critical early infrastructure projects
- Experienced, well-capitalized land developers who can take on bigger on-site infrastructure investments

What's the issue?

- Cities play a key role in advancing development
- Lack of clarity about which city is responsible creates challenges
- Pro-active planning moves the process faster

What's working?

- Updated process and requirements for City involvement in expansions
- Cities being pro-active about planning and infrastructure

Timing Considerations: UGB Expansion Areas

- Planning, adoption of development regulations, establishing a viable infrastructure funding strategy take time given need for community and stakeholder engagement
- Other steps (annexation, infrastructure programming, etc.) generally follow planning, take additional time
- Development applications usually can't proceed until other pieces are in place
- Recessions or other market disruptions can delay things further

Conclusions: UGB Expansion Areas

- Changes to rules and process are helping
- Developer interest and participation supports development readiness
- Pro-active City leadership can move development forward faster
- Metro can guide growth, but can't create a market where it doesn't exist or overcome topographic, ownership, or resource barriers to development

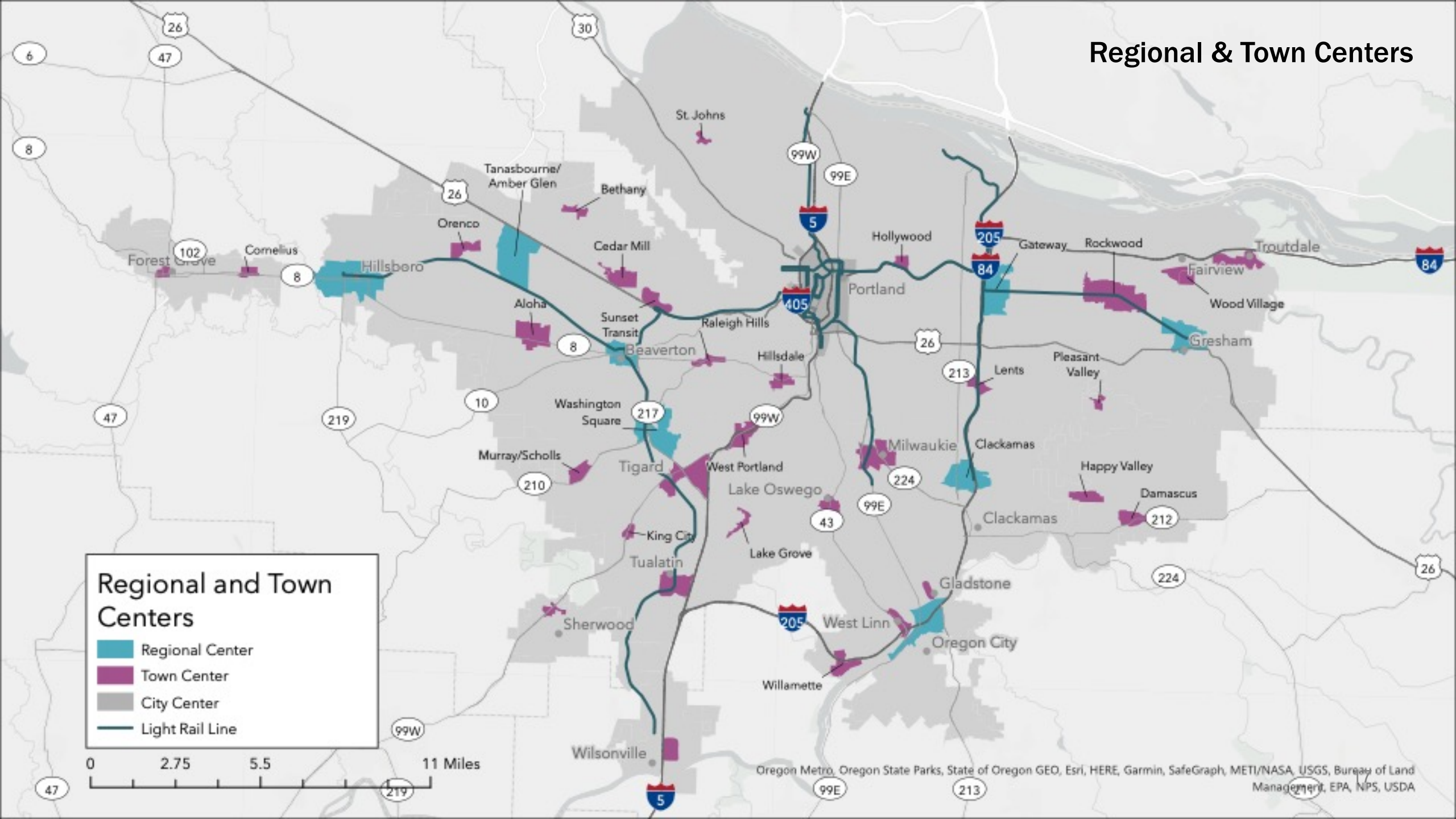
State of the 2040 Centers

- Residential development trends in 2040 Centers
- What are the common regulatory, procedural, and market barriers to residential development in 2040 centers?

Regional & Town Centers

Regional and Town Centers

- Regional Center
- Town Center
- City Center
- Light Rail Line

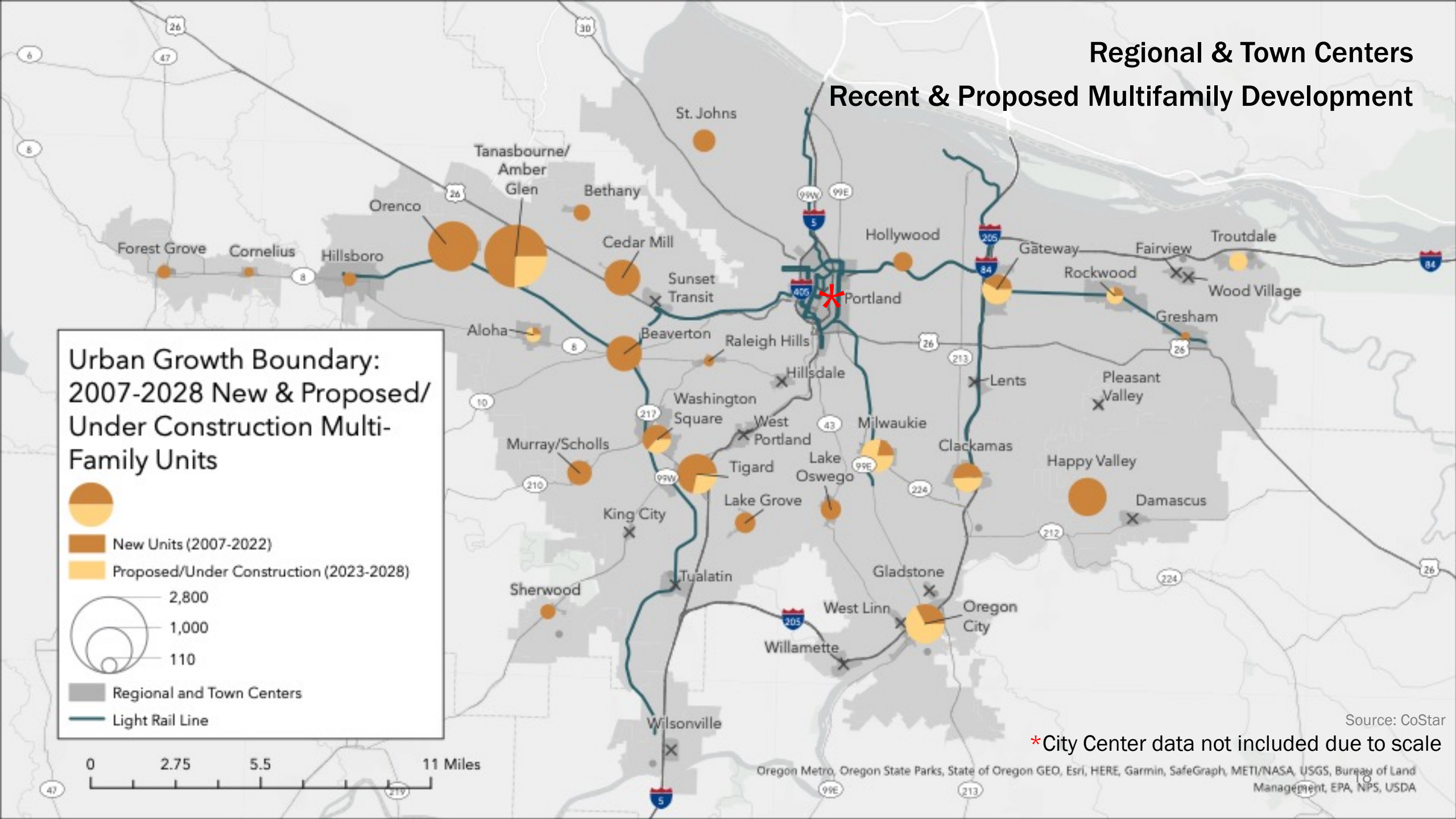


Regional & Town Centers Recent & Proposed Multifamily Development

Urban Growth Boundary:
2007-2028 New & Proposed/
Under Construction Multi-
Family Units



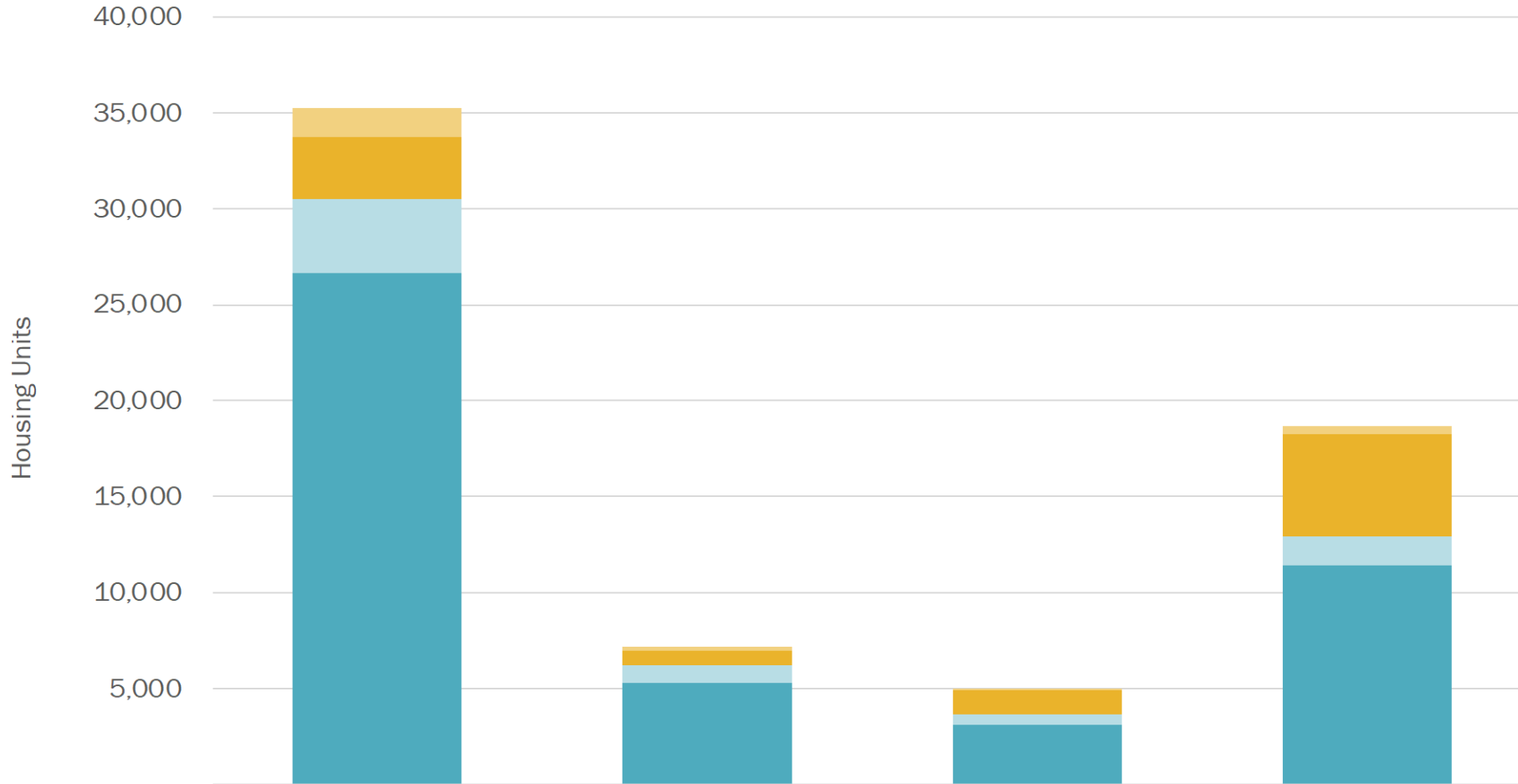
0 2.75 5.5 11 Miles



*City Center data not included due to scale

City Center and Other Areas

Regulated Affordable & Market Rate Housing Units
Completed and in Pipeline by Region (2007-2022)



Strong residential development in Central City, especially 2007-2017

	Rest of Region	Town Center	Regional Center	Central City
■ Pipeline Regulated	1,485	181	144	434
■ Pipeline Market	3,257	793	1,238	5,344
■ Completed Regulated	3,868	898	515	1,502
■ Completed Market	26,641	5,313	3,126	11,413

Source: CoStar. May exclude some development where year built data is unavailable. Note: "Rest of Region" is all areas within the Metro UGB that are not part of a Regional Center, Town Center, or the Central City.

2040 Regional & Town Centers: Observations

Common Barriers	What Has Helped?
Lack of amenities, older auto-oriented development pattern – need for investment in public realm	Strong public investment (e.g., TIF) Historic downtowns / walkable street networks
Older suburban development regulations (e.g., high parking & landscaping requirements, etc.)	Code updates Streamlined regulations Reduced parking requirements
Rents too low to support vertical mixed-use or podium development	Development incentives (e.g., VHDZ)
Market demand for parking	Light rail, on-street parking

ECONNorthwest

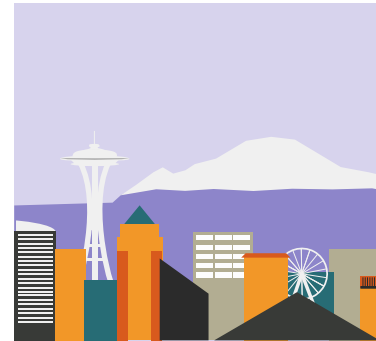
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Los Angeles



Portland



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Boise