



2018 urban growth management decision

Overview of work program

PROGRAM OBJECTIVES:

- Emphasize the need for local and regional investments in existing urban areas
- Provide the Metro Council with a sound basis for making a growth management decision that advances the region's six desired outcomes and local goals and meets statutory requirements
- Enhance the Metro Council's decision-making flexibility for responding to city proposals
- Expedite decision making

COUNCIL ROLES:

- Provide direction to staff on work program
- Provide ongoing policy direction to staff
- Conduct ongoing outreach to partners
- Assist coalition in seeking refinements to state law in spring 2017
- Consider proposed amendments to Metro code in late 2017
- Make the 2018 urban growth management decision

COUNCIL DIRECTION TO DATE:

Outcomes-based approach:

The Metro Council has adopted a policy that it will take an outcomes-based approach to urban growth management decisions. A basic conceptual underpinning of this approach is that growth could be accommodated in a number of ways that may or may not involve urban growth boundary (UGB) expansions. Each alternative presents considerations and tradeoffs, but there is not one "correct" answer. For instance, different decisions could lead to different numbers of households choosing to locate inside the Metro UGB versus neighboring cities such as Newberg or Battle Ground.

An outcomes-based approach also acknowledges that development will only occur when there is adequate governance, infrastructure finance, and market demand, and therefore any discussion of adding land to the UGB should focus on identifying areas with those characteristics. To further implement Council's direction that the Council will only expand the UGB into urban reserves that have been concept planned, this work program will ground analysis and decision making in the actual UGB expansions being proposed by cities in acknowledged and concept-planned urban reserves.

Greater flexibility to respond to city proposals:

Working with the Urban Growth Readiness Task Force, the Council identified the need for more flexibility to consider cities' UGB expansion proposals into concept-planned urban reserves. This work

program seeks to provide that flexibility by sequencing analysis and decision-making differently than in the past. It will also highlight policy questions about how much seven-county growth Metro should take responsibility for. In previous decisions, these policy questions were treated as a technical assumption. Additional flexibility could come from changes to state law that are being pursued by Metro and its partners in the 2017 legislative session.

Expedited decision making:

Following previous Council direction, this work program envisions Metro Council consideration of a growth management decision by the end of 2018, with a 2018 Urban Growth Report (UGR) available in the summer of 2018. To accommodate this condensed timeframe and to advance an outcomes-based approach, the Council indicated at a February 2016 work session that there should be less Council and MPAC time devoted to discussing technical analyses compared to the 2015 decision. Instead, policy makers would focus their discussions on the merits of city proposals for UGB expansions into concept-planned urban reserves. Technical analyses would still be peer-reviewed as needed.

GENERAL APPROACH:

Old system:

In the older growth management system, it was presumed that there was one correct way to estimate regional housing needs and policy discussions devolved into positioning around numbers. If a need were established, the UGB was expanded into areas with lower soil quality and the adequacy of governance, infrastructure finance, and market conditions was an afterthought. Predictably, those expansions have often been slow to produce the housing that was deemed needed. Meanwhile, housing got developed – consistent with local plans – in other locations.

New system:

With urban and rural reserves – pending their region-wide acknowledgement – the region has decided where the region may grow over the long term. Under the new system, the Council could add urban reserves to the UGB if the Council determines that there has been a compelling demonstration that the expansion would advance local and regional goals and that the expansion is needed to accommodate growth that could otherwise spill over into neighboring cities outside the Metro UGB.¹

Pieces of the new system, such as the use of a range forecast and Metro’s requirement that cities complete concept plans to be considered for expansion, are already in place. Metro also has a grant program to fund those city and county planning efforts. Additional aspects of the new system are being developed either through changes to state law, changes to Metro code, or changes to decision making processes. As noted, this work program will highlight options for reducing spillover growth.

¹ Regardless of whether a city makes a compelling case for an expansion, expansion areas will need to be selected in a manner that is consistent with the location factors described in state law. The Urban Growth Readiness Task Force recommended seeking changes to state law that will allow greater flexibility in mid-cycle decisions, but not in “standard” cycle decisions such as the 2018 decision.

PHASES AND MILESTONES

Phase 1: Foundation	
Evolve the region's urban growth management decision-making process based on direction from the Urban Growth Readiness Task Force and the Metro Council	
A. Metro Council direction on overall work program (with ongoing engagement as project work moves forward)	Early 2017
B. Coalition seeks changes to state law to provide additional flexibility for Metro Council decision making	Spring 2017
C. Metro Council considers amendments to the Metro code to clarify expectations for cities requesting UGB expansions into acknowledged and concept-planned urban reserves (through MTAC and MPAC process during 2017)	Fall 2017
D. Seek region-wide acknowledgement of urban and rural reserves	Spring 2017
Phase 2: Framing	
Assemble a base of information	
E. Technical peer review of regional range forecast and buildable land inventory	Fall 2017
F. Deadline for cities to submit letters of interest for UGB expansions into acknowledged and concept-planned urban reserves	End of December 2017
G. Deadline for cities to submit proposals for UGB expansions into acknowledged and concept-planned urban reserves (expectations for proposals to be defined in Metro code by fall 2017)	End of May 2018
Phase 3: Initial building inspection	
Release information for discussion	
H. Release UGR and city proposals for UGB expansions into acknowledged and concept-planned urban reserves	Late June 2018
I. MTAC, MPAC and Council discussion of draft UGR and city proposals	July – September 2018
J. Public comment period (focus on specific expansion proposals)	July –August 2018
Phase 4: Choosing finish materials	
Initial policy direction on growth management decision	
K. With MTAC and MPAC advice, Council provides direction: <ul style="list-style-type: none"> • Choose amount of growth that is being planned for in UGB • Identify UGB expansions that are needed, if any • Direct staff to complete analysis for final Council consideration 	End of September 2018
Phase 5: Move-in day	
Metro Council urban growth management decision	
L. 35 days before Council hearing – Public notice and notice to DLCD (if UGB expansion is proposed)	Early November 2018
M. 20 days before Council hearing – notice (report) to property owners within one mile of proposed expansions	Early November 2018
N. With MPAC's advice, the Metro Council makes its urban growth management decision by ordinance (adopt UGR, final housing and employment need analyses, and UGB expansions, if any)	December 2018
O. Submit growth management decision for state review (if UGB expansion is made)	Early 2019
Phase 6: Meet the neighbors	
Ongoing reporting on how the region is growing and changing	
P. Regional Snapshots program – ongoing web series on topics such as housing, jobs, community, and how we get around.	Ongoing

ATTACHMENT:

INFORMATION THAT WILL BE MADE AVAILABLE TO DECISION MAKERS IN THE SUMMER OF 2018

In the summer and fall of 2018, the Metro Council, MPAC and MTAC will have the opportunity to discuss two primary sources of information that provide a basis for decision making: city proposals for UGB expansions into acknowledged and concept-planned urban reserves and a 2018 UGR.

City proposals for UGB expansions into acknowledged and concept-planned urban reserves

Cities that are interested in UGB expansions will be expected to submit proposals that include:

- A concept plan that meets the requirements of Title 11 of Metro's Urban Growth Management Functional Plan.
- A demonstration that the city is taking a holistic approach to addressing housing or employment needs in its existing urban areas. As recommended by the Urban Growth Readiness Task Force, these expectations will be clarified in Metro code that will be considered through MTAC, MPAC and Council discussions with an intended adoption in fall 2017.

To accommodate the need for technical work and policy discussions, there will be a two-step submittal process for cities interested in proposing UGB expansions:

- Letters of interest would be due by the end of 2017.
- Full proposals would be due by the end of May 2018.

2018 UGR

The 2018 UGR will be released around the end of June 2018. It will include updated versions of much of the information found in the 2014 UGR. However, to implement Council and Urban Growth Readiness Task Force direction, the 2018 UGR will differ in one significant regard: it will present information about the possible outcomes associated with adding the specific acknowledged and concept-planned urban reserves that have been requested by cities. Likewise, the report will assess the outcomes of not expanding the UGB. The analysis would show how all of these options could accommodate growth, but with different tradeoffs (perhaps marginally different, depending on the options that are proposed by cities).

Based on a discussion of those options and tradeoffs, staff would seek direction from the Council – with MPAC advice – on whether there is a need to expand the UGB to accommodate growth that may otherwise spill over to neighboring cities outside the Metro UGB. Based on that policy direction, staff would then complete the analysis required under state law and present it to Council for final adoption in the fall of 2018.

It should also be noted that, under current state law, the selection of UGB expansion areas will need to be consistent with the "Goal 14 location factors" analysis that will be included as an appendix to the UGR.

Anticipated appendices to the draft 2018 UGR

(also includes notes on appendices from 2014 that are proposed to be dropped in 2018):

Item	Appendix # in 2014 UGR	Notes
Regional range forecast	1a	Propose same general forecast methodology as 2014, with the likely addition of data on race and ethnicity.
Forecast FAQ	1b	Include comparison of past forecasts with actual growth
Forecast peer review summary	1c	As with the last regional forecast, convene a peer review group for one or two meetings.
Description of forecast methods	1d	No major changes to the range forecast methodology are proposed aside from the likely addition of data on race and ethnicity.
Buildable land inventory methods	2	No major changes to the buildable land inventory methods are proposed. Continue to improve estimates of redevelopment potential.
Buildable land inventory results	3	The inventory will go through the standard jurisdictional review.
Housing needs analysis	4	Hold off on completing this until fall 2018 Await Council direction on the range forecast and whether expansions are warranted to reduce the likelihood of spillover growth into neighboring cities
Residential development trends	5	Include same metrics as 2014 UGR appendix 5, plus: -New permitted units by city and county 1998-2017 -RMLS sales data -Rent data
Employment demand analysis	6	Hold off on completing this until fall 2018 Await Council direction on the range forecast and whether expansions are warranted. If no employment land expansions are requested, staff suggests omitting this analysis altogether since it is not legally required.
Large industrial site demand analysis	7	Hold off on completing this until fall 2018 Await Council direction on the range forecast and whether expansions are warranted. If no large-site industrial expansions are requested, staff suggests omitting this analysis altogether since it is not legally required.
Employment trends	8	Same reporting method as 2014 UGR
Employment site characteristics	9	Same reporting method as 2014 UGR
Opportunity maps	10	Do not include This appendix relied heavily on data from the Regional Equity Atlas that are now out of date and would require additional resources to update. The themes found in the Opportunity maps are now being addressed by other projects such as Regional Snapshots, the Equity Strategy, and the Equitable Housing Initiative.
MetroScope scenario specs	11	Research Center staff will conduct ongoing improvements to and peer review of the model. This appendix will describe model assumptions.

Item	Appendix # in 2014 UGR	Notes
Housing + transportation cost burden analysis	12	Do not include Aspects of this analysis will be incorporated into a new appendix (Growth Scenario Alternatives Analysis).
Large industrial site inventory	13	Planning and Development will work with the Port and other partners to include a streamlined update of this inventory.
Residential preference survey	14	Do not include It is unlikely that sufficient time has passed since the 2014 survey to detect changes in preferences. Likewise, conducting this survey would require additional resources (staff and budget). Staff proposes to continue working to incorporate data from the 2014 survey into land use models.
Damascus disincorporation scenario	15	Do not include This standalone scenario is no longer needed now that the city has disincorporated. The likelihood of annexations of the western area to Happy Valley will be built into standard scenario assumptions.
Growth alternatives scenario analysis	NA	New appendix Report results of land use scenarios, including outputs such as: -Housing mix (type and tenure) -Housing + transportation cost burden analysis -UGB capture rates -Housing and employment growth distribution -Commute distances -buildable land consumption by type -UGB acres added -New dwelling units in prospective UGB adds
Urban reserve Goal 14 analysis	NA	New appendix Assess UGB expansion candidates per factors described in state law.