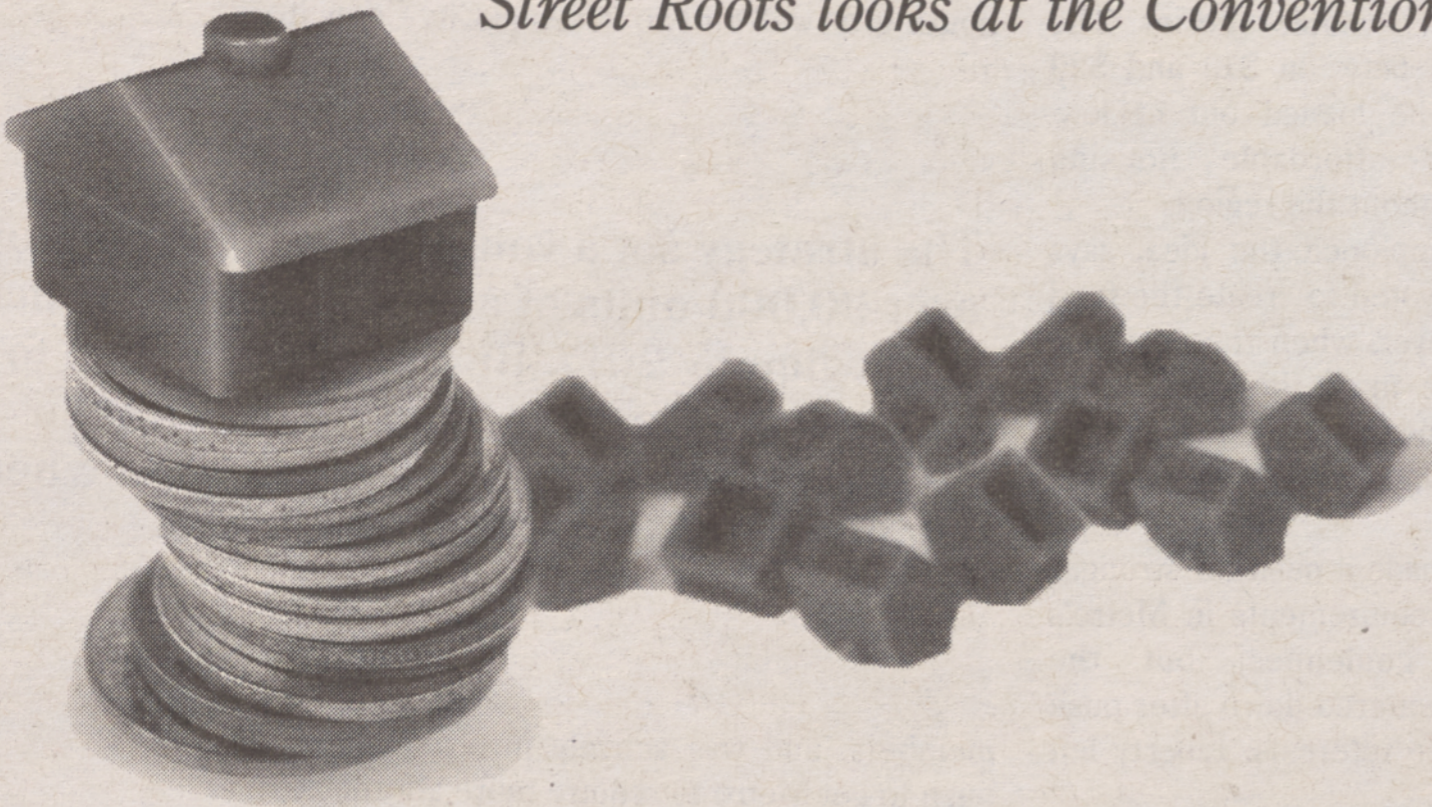


Metro: Planning for Park Place

Street Roots looks at the Convention Center Hotel, years of affordable housing planning



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Metro, the regional government for the tri-county area, has long known that the region has a problem: Rents are soaring, there is a real lack of affordable housing and low-income families and individuals are being concentrated in pockets of poverty.

A 2009 analysis from Metro forecasted that the percentage of renter households that pay more than half their income on housing and transportation due to high housing costs could rise as high as 70 percent by 2030.

Metro is gearing up to invest taxpayer money on some shelter, but not for people who are struggling with surging rents. Instead, Metro is spearheading a controversial effort to build a brand new hotel in hopes that it will bring larger conventions to the Oregon Convention Center, which is also owned and operated by the agency.

Metro doesn't get much attention. It's an agency that looks at maps, analyzes data and quietly shapes how the region grows. Metro serves 1.5 million residents and 25 municipalities in Washington, Multnomah and Clackamas counties. It was created in 1979 to handle regional issues. It's charged with planning growth for the tri-county area under the state's land-use laws, overseeing waste management and operating the zoo, in addition to a network of parks and natural areas.

Now the agency wants to add one more project to its plate: helping finance a new private hotel. According to the agency, 60 percent of the new \$197.5 million 600-room hotel will be funded with an investment from Hyatt Hotels, which will run the new facility, along with its partners. The remaining funds will come in the form of a \$4 million investment from Metro, a \$4 million loan from the Portland Development Commission (the City of Portland's development arm), \$10 million in recently secured lottery funds and a \$60 million bond that will be paid off with taxes generated by the new hotel. Metro Council has voted to approve the financing package, which now awaits approval from Multnomah County, the City of Portland and the Portland Development Commission.

Metro's reasoning behind the project is that without an accompanying hotel, the convention center will struggle to attract large conventions and out-of-town attendees who will spend money at local businesses.

"A convention center hotel will attract thousands of new visitors who will support thousands of new jobs," said Metro President Tom Hughes, in a statement heralding the legislature's allocation of the lottery money. "Those jobs will create about \$5 to \$6 million in new state tax revenues per year that will help support schools, public safety, and other important public structures and services throughout Oregon."

In approving financing for the hotel, Metro councilors stressed that the project won't take money from social services. However, the project is still drawing opposition. Competing hotels have formed a group called "Our Unfortunate Convention Hotel" (OUCH), which argues that there's a good

chance that the new hotel will fail to attract large conventions, leaving the public on the hook. The group is planning on referring the project to voters for approval.

There's little disagreement about the need for affordable housing. And while Metro has made serious attempts in the past to increase affordable housing in the region, it often hasn't been able to muster the political will to follow through on them. The reasons why reveal much about the nature of Metro and its priorities, as well as the state of affordable housing in the area today.

"The pattern of studies and research and actually no changes (on affordable housing) happening has been incredibly frustrating to me," says Sam Chase, who worked in community development and on housing policy before being elected to Metro Council in 2012, of past efforts by the agency to spur the creation of more affordable housing.

Robert Liberty, a former Metro councilor who now serves as the director of Portland State University's Urban Sustainability Accelerator, says some communities have done more to develop affordable housing while others have intentionally kept it out, creating pockets of concentrated poverty that can pose a burden to schools and keep people from jobs. This issue, he says, is a regional one that should concern Metro.

"It's interesting, the amount of time and energy Metro has put into the convention center hotel compared to housing choice," says Liberty, who saw a considerable amount of staff work dedicated to the hotel project before he left the council in 2011. "The question is, which is more important?" he asks

"Metro has studied affordable housing a few times and has collected volumes of data about affordable housing in the region, and they feel that it is not central, but peripheral, to their mission," says Martha McLennan, the executive director of affordable housing provider Northwest Housing Alternatives. "They're more worried about waste, transportation and land use. Affordable housing is needed to make all these things succeed, and they haven't perceived it as being dead-center in their mission."

McLennan says that the lack of affordable housing could start having more of an effect on businesses, as well as the work force. For example, she says, if someone works in Lake Oswego and lives in another city because of housing costs — having to take time off to attend to a sick child, they will likely be gone from their job much longer than if they were able to live closer to their work.

Metro has been concerned with housing issues, in some form or another, since the agency was founded. The issue of housing affordability took on more prominence for Metro as property values rose sharply during the housing boom of the 1990s and early 2000s. Metro planning documents from that time identify the housing market as a regional issue that falls under the agency's purview. Documents from this time period also call for policies aimed at increasing the stock of affordable housing throughout the region — but they don't say much about building a new hotel.

Rex Burkholder says the Coalition for a Livable Future, an alliance of environmental and social justice groups he helped found before being elected to Metro Council in 2000, began pushing for Metro to take strong

actions to address rising housing costs. What resulted was perhaps the strongest, yet most controversial action Metro has taken to date to increase affordable housing in the region.

In the late 1990s, Metro set "fair share" affordable housing goals for counties and cities under the agency's purview. If local jurisdictions didn't meet their targets under the plan, Metro retained the right to impose inclusionary zoning, requirements that housing developers build housing for households of modest means in addition to market-rate housing.

The new requirements on local jurisdictions from Metro, says Burkholder, were a response to very deliberate and discriminatory efforts from Portland's suburbs meant to keep out low-income people.

The cities of Gresham and Hillsboro, joined by Clackamas County, sued Metro over the new requirements. Metro responded by softening its affordable housing mandate, while retaining the right to impose affordable housing requirements on municipalities and counties if they didn't meet specific goals.

"A lot of it was, we're all white and wealthy. Why would you make us change?" says Burkholder of the backlash from the suburbs to the new requirements.

Home builders became so spooked that Metro, or other government entities in Oregon, would begin requiring them to build affordable housing that they took their concerns to the legislature. In 1999, the home builder's lobby successfully persuaded Oregon lawmakers to ban Metro or any local government from requiring that affordable housing be built along with market-rate housing.

"It ended up being a real disaster," says Burkholder, of the backlash against Metro's affordable housing mandate. He also says it made the agency very reluctant to take regulatory approaches to the issue. Metro's affordable housing requirements soon became aspirational goals, he says.

However, Burkholder says that these early efforts to increase affordable housing had some success. He points out that Metro successfully prohibited local governments



A rendering of the Convention Center hotel.

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from playing musical chairs with zoning plans to prevent multifamily housing, which tends to be more affordable, from being built. Metro also made it easier to build accessory dwelling units, or "granny flats," which are small living units often built in the backyards of homes, he says.

Following Metro's ill-fated attempt to require that affordable housing be built, the agency began emphasizing more voluntary approaches toward the issue. In 2000, Metro Council approved recommendations from a task force charged with developing a regional affordable housing

See Metro, page 4