

**Exhibit B to Ordinance No. 15-1361
Findings of Fact and Conclusions of Law**

Ordinance No. 15-1361 accepts the recommendations of Metro’s Chief Operating Officer (COO) to adopt the 2014 Urban Growth Report (UGR) and not expand the Urban Growth Boundary (UGB) in Metro’s current statutory growth management cycle. Based on the findings of the UGR and significant discussion with regional partners, the Metro Council concludes that the existing UGB can accommodate projected growth in the region over the next 20 years and therefore a UGB expansion is not warranted under applicable law. These findings of fact and conclusions of law explain how the Metro Council decision complies with state and regional land use laws and policies.

Section A of these findings describes revisions that have been made to the UGR since the Metro Council adopted the draft UGR in December of 2014, including recent updates based on Council directives to use the midpoint on the growth forecast range and to discount some of the developable capacity in the City of Damascus. Section B of these findings describes compliance with requirements in Statewide Planning Goal 2 and regional policies regarding coordination with other local governments in the region. Section C describes compliance with requirements in Statewide Planning Goal 1 and regional policies regarding citizen involvement. Section D describes compliance with state and regional requirements regarding urban growth boundary decisions, including Statewide Planning Goals 14 and 10 and ORS 197.296. Section E describes compliance with all other Statewide Planning Goals.

A. Final Updates to Draft UGR

Metro staff released the draft UGR in July of 2014; in September the draft was modified slightly to correct certain calculations regarding projected housing demand. After numerous meetings and discussions regarding the draft throughout the fall of 2014 with regional stakeholders, the Metro Technical Advisory Committee (MTAC), and the Metro Policy Advisory Committee (MPAC), the Metro Council adopted the draft UGR on December 4, 2014 via Resolution No. 14-4582. That resolution reflected recommendations from regional stakeholders and MPAC to continue having discussions in 2015 regarding certain growth policy considerations that could impact elements of the final growth management decision to be adopted by the Metro Council before the end of the year.

At the direction of Metro Council, the draft UGR describes the 20-year population and employment forecasts for the region as a range, in terms of probability. The baseline forecast (midpoint on the forecast range) provides the best estimate of what future growth in the region may be. The range is bounded by a low end and a high end, with an estimated 90% probability that actual growth will occur within the range. In order to satisfy its statutory obligation to estimate the number of dwelling units and acres of land that may be necessary to accommodate growth in the next 20 years, the Metro Council must select a particular point on the range.

After considering evidence from staff, local governments, and other interested parties regarding projected population and employment growth over the course of several meetings and work sessions, on September 15, 2015 the Metro Council directed staff to base the final urban growth

management decision on the midpoint of the forecast range, which provides the highest probability of accuracy. Acting on this direction from the Council, Metro staff has applied the midpoint of the range to the population and employment forecasts in the UGR in order to identify specific numbers for the estimated supply and demand of dwelling units and employment acreage.

The updated figures based on the Metro Council’s selection of the midpoint of the forecast range are included in revisions to Appendix 4 and Appendix 6 of the final UGR that is being adopted by the Metro Council in Ordinance No. 15-1361. The final numbers have also been adjusted based on direction from the Metro Council to account for the likelihood of disincorporation by the City of Damascus and potential urbanization of the western portion by the City of Happy Valley, with the eastern portion of the city not being developable within 20 years.

There are two components to the UGR: a 30-page narrative summary and the 12 appendices attached to it. The actual technical analysis that comprises the UGR is included in the appendices; the 30-page UGR narrative provides a descriptive summary of the information included in the appendices. All updates that have occurred since the adoption of the draft UGR in December are located in the appendices, specifically Appendix 4, Appendix 6, and Appendix 15. The updated residential analysis materials in Appendix 4 are included as an “October 2015 Supplement” at page 49 of Appendix 4, and the updated employment analysis materials in Appendix 6 are included in supplemental materials beginning at page 19 of Appendix 6. A new Appendix 15 provides technical documentation regarding the projected impacts of the disincorporation of the City of Damascus.

The supplemental materials provide updated supply and demand figures based on the Metro Council’s identification of a specific point on the forecast range and adjustments regarding the amount of land that is estimated to be available in the City of Damascus over the next 20 years. The supplemental materials also provide additional findings in support of the UGR methodology and conclusions. The updated figures regarding projected supply and demand for single-family and multifamily dwelling units are also reflected in the revised version of the UGR narrative on page 22 (Tables 2 and 3).

B. Coordination with Local Governments and State Agencies

This section addresses the coordination requirements of Statewide Planning Goal 2 and Regional Framework Plan (RFP) Policies 1.11.3, and 1.14. In preparing and adopting the UGR, Metro has coordinated extensively with the cities and counties in the region and relevant state agencies over the last two years. This includes significant coordination in the development of the technical elements of the UGR, discussed further in Section C below, and engagement at MPAC and MTAC as described in this section.

Since early 2014, the UGR has been extensively reviewed and discussed by MPAC, which is an advisory committee to the Metro Council consisting of elected officials from cities, counties and special districts throughout the region, as well as citizens and representatives of TriMet and DLCD. At its meeting on September 9, 2015, MPAC voted to recommend that the Metro Council accept the COO recommendations, adopt the UGR this year, and make no expansion to

the UGB. MPAC is assisted in its advisory functions to the Metro Council by MTAC, which is a technical advisory committee consisting primarily of staff from cities, counties, special districts and state agencies. As described in more detail below, the UGR has been an agenda item before MTAC in at least 14 of its meetings since 2013, and before MPAC in at least 14 meetings since January of 2014.

MTAC has discussed elements of the draft UGR on the following occasions:

MTAC meeting date	Topic
9/18/13	The timeline, milestones, and engagement opportunities that will lead to a 2015 growth management decision
2/19/14	Recent economic conditions and their implications for the population and employment forecast; performance of past Metro forecasts
4/2/14	Seven-county range forecast peer review process and results
4/16/14	Buildable land inventory; residential development trends
8/20/14	Introduction to the draft 2014 UGR
9/3/14	Results of the residential preference study
10/1/14	Consideration of recommendations on the residential component of the draft UGR; 2014 update of the Regional Industrial Site Readiness project
10/15/14	Consideration of recommendations on the employment component of the draft UGR
11/5/14	Consideration of recommendations on the text of the Metro Council resolution accepting the draft UGR
5/6/15	Likelihood of development in UGB expansion areas, including Damascus
5/20/15	Likelihood of development in urban centers such as Portland
6/17/15	Planning within a range forecast; likelihood of development in UGB expansion areas
8/15/15	Consideration of COO recommendations regarding UGR
9/2/15	Discussion of draft ordinance adopting UGR and COO recommendations

MTAC recommendations

On October 1, 2014, MTAC made the following unanimous recommendations on two core technical elements of the draft UGR:

- The residential buildable land inventory has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.
- The seven-county population and employment range forecast in the draft UGR has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.

On October 15, 2014, MTAC made two additional unanimous recommendations related to the draft UGR:

- The employment buildable land inventory, including the inventory of large industrial sites, has undergone an appropriate level of technical review and provides a reasonable basis for policy discussions.

- The assumptions (building types, square feet per employee, and floor-area ratios) used to translate the employment forecast into demand for acres have undergone an appropriate level of technical review and provide a reasonable basis for policy discussions.

On November 5, 2014, MTAC reviewed the draft language of Resolution No. 14-4582 and forwarded the draft resolution to MPAC for its consideration with no proposed changes to the text.

On September 2, 2015, MTAC was asked if it wished to make a formal recommendation to MPAC regarding the Metro COO’s recommendation to adopt the UGR via Ordinance No. 15-1361. Instead of making a recommendation, MTAC decided to convey its general comments and suggestions to MPAC and leave it to MPAC to propose amendments to the ordinance. MTAC’s comments focused on timelines for urban and rural reserves and other COO recommendations that relate to acknowledgement of urban and rural reserves. MTAC’s primary comments were:

- Consider an additional ordinance clause that commits Metro staff to return to MTAC, MPAC, and the Metro Council in early 2016 with a proposed work program and timeline for addressing future urban growth management work.
- The work program that staff brings forward in 2016 should identify some of the research activities that can be undertaken as building blocks for the next UGR.
- Metro and its partners may need to consider a “Plan B” for the next urban growth management decision if it appears that urban and rural reserves will not be resolved in a timely fashion.

MPAC has discussed elements of the draft UGR on the following occasions:

MPAC meeting date	Topic
1/8/14	Recent economic conditions and their implications for the population and employment forecast
2/12/14	Performance of past Metro forecasts
4/23/14	Seven-county range forecast peer review process and results
7/23/14	Introduction to the draft 2014 UGR
9/10/14	Results of the residential preference study
10/8/14	Review of resolution adopting draft UGR; residential component of the draft UGR
10/22/14	Employment component of the draft UGR; 2014 update of the Regional Industrial Site Readiness project
11/12/14	Consideration of recommendations on the Metro Council resolution accepting the draft UGR
4/22/15	Likelihood of development in urban centers such as Portland
5/27/15	Likelihood of development in UGB expansion areas, such as Damascus
6/24/15	Planning within a range forecast
7/8/15	UGR process update
8/26/15	Consideration of COO recommendations regarding UGR
9/9/15	Vote regarding recommendation on draft ordinance adopting UGR and COO recommendations

MPAC recommendations

On November 12, 2014, MPAC unanimously recommended that the Metro Council adopt Resolution No. 14-4582, adopting the draft UGR with recommendations for consideration of additional policy topics in 2015.

On September 9, 2015, MPAC voted 11-4 to recommend that the Metro Council accept the COO recommendations, adopt the UGR this year, and make no expansion to the UGB. MPAC recommended a few minor revisions to Ordinance No. 15-1361, which were discussed by the Metro Council at its September 15, 2015 work session and, for the most part, incorporated into the final ordinance.

C. Citizen Involvement

These findings address Statewide Planning Goal 1 and RFP Policy 1.13. Metro began the process of preparing the UGR in 2013 and has worked closely with key stakeholders and residents of the region from the beginning.

The draft UGR is a reflection of the expert knowledge of many stakeholders from around the region. Throughout the development of the draft UGR, staff engaged outside expertise from the public and private sectors. Some of the technical engagement conducted for the draft UGR dates back to fall of 2010 when staff engaged city and county planners in discussions of how to estimate the buildable land inventory used for the adopted 2035 forecast distribution. As described in the draft UGR, from early 2013 through the fall of 2014, staff sought review and collaboration on a number of topics:

- A working group of approximately 30 public and private sector experts provided advice on the methods used for estimating the region's buildable land inventory, with a particular emphasis on how to estimate environmental constraints and redevelopment potential.
- All cities and counties in the region were given the opportunity to review a preliminary buildable land inventory at the tax lot level. All comments received by Metro were incorporated into the inventory used in the draft UGR.
- A working group of 10 public and private sector experts provided advice on the method used for estimating market absorption of the buildable land inventory.
- A peer review group of seven public and private sector economists and demographers advised on the assumptions built into the seven-county population and employment range forecast as well as the forecast results.
- A working group of six public and private sector experts advised on the assumptions about space needs for different types of jobs. Those assumptions are used to translate the employment forecast into land demand.
- A partnership of nine public and private sector organizations worked with Portland State University and DHM Research to conduct a residential preference survey to gain a better understanding of how people make choices about where to live.
- A partnership of six public and private sector organizations worked with the consulting firm Mackenzie on an update of the Regional Industrial Site Readiness project. The

inventory of large industrial sites that was identified through that work is used to describe the region's supply of such sites in the draft UGR.

In addition to the above-described collaboration with public and private sector stakeholders, the public process involved in adopting the UGR has provided considerable opportunities for citizen involvement and engagement. In addition to the MTAC and MPAC meetings regarding the UGR that are detailed above, all of which were public meetings, the Metro Council has held at least 10 public meetings in 2015 alone on topics involving the UGR, including public hearings on September 24, 2015, October 29, 2015, and November 5, 2015.

D. Urban Growth Management Statutes and Rules

These findings address Statewide Planning Goals 10 and 14, ORS 197.295 – 197.314, OAR chapter 660 divisions 7 and 24, and RFP Policy 1.9.2.

Metro's obligation to complete an inventory of buildable lands and analysis of housing need for purposes of ensuring a 20-year supply of land inside the UGB arises out of ORS 197.299. That statute directs Metro to undertake the inventory and analysis required under ORS 197.296(3) not later than five years after completion of the previous analysis. In 2014 the Oregon Legislative Assembly changed the five-year statutory cycle to a six-year cycle as part of HB 4078. The previous regional inventory and analysis was undertaken by the Metro Council in the 2009 Urban Growth Report, which was adopted in 2010 via Ordinance No. 10-1244B.

1. Buildable Land Inventory

The first step in the process required under ORS 197.296(3)(a) is to undertake an inventory of the supply of buildable residential land inside the UGB. The applicable Goal 14 rules provide that local governments "must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs" for both residential and employment land. OAR 660-024-0050(1). This section of the findings focuses on Metro's analysis of the residential component of the inventory.

For purposes of the inventory required under ORS 197.296(3)(a), buildable land is defined to include vacant and partially vacant land planned or zoned for residential use, land that may be used for mixed residential and employment uses under existing planning or zoning, and land that may be used for residential infill or redevelopment. ORS 197.296(4)(a). The buildable lands inventory informs the calculation of the capacity of the UGB to accommodate future growth.

Metro's methodology for calculating the region's buildable land inventory is set forth in Appendix 2 of the UGR and summarized on page 16 of the UGR narrative. The methodology began by analyzing detailed aerial photos of all land inside the UGB and applying current local plan and zoning designations. The methodology also applied the specific inventory requirements set forth in ORS 197.296(4)(a)-(b). One of the more complicated aspects of creating an inventory of buildable land is determining how to accurately predict whether land that is already developed may be redeveloped in the next 20 years, as required under ORS 197.296(4)(a)(A). To assist in accurately identifying the developable and redevelopable land in the region, Metro assembled a

technical working group consisting of representatives from cities, counties, the state, realtors, developers, and the Portland Homebuilders Association. Over the course of a year, that working group developed specific methodologies for assessing the development and redevelopment potential of land inside the UGB. Those methodologies are described in Appendix 2 of the UGR.

The buildable land inventory results are set forth in Appendix 3 of the UGR. After applying the methodologies agreed upon by the technical working group, and taking input from cities and counties on a preliminary draft of the inventory, the analysis concluded that the existing UGB has an inventory of buildable land that can provide 118,000 single-family dwelling units and 273,300 multifamily dwelling units, for a total of 391,300 units. These initial estimates in the draft UGR have been revised in October 2015 to reflect adjustments to the projected amount of developable land that will be available for urbanization in the City of Damascus. Appendix 15 of the UGR includes technical documentation of the analysis regarding possible effects of the disincorporation of the City of Damascus. These revisions are also reflected in UGR Appendix 4. The adjusted figures estimate an inventory of 113,200 single-family dwelling units and 273,300 multifamily units, for a total capacity of 386,500 dwelling units.

It is important to note that at this point in the analysis, Metro has undertaken the extent of the work required by statute for a buildable land inventory under ORS 197.296(3)(a) and the statutory definition of “buildable lands.” As required under ORS 197.296(4), Metro has inventoried all vacant and partially vacant land zoned for residential use, plus all land that may be used for mixed use residential development, plus land that “may be used for residential infill or redevelopment.” The conclusion of that inventory is that there is capacity for 386,500 dwelling units inside the existing UGB.

However, in an attempt to provide a more precise estimate of the existing regional capacity over a 20-year horizon, Metro takes an additional step of applying market-based land use and transportation modeling (known as MetroScope) to determine what portion of the infill and redevelopment supply is likely to redevelop over the next 20 years. While ORS 197.296(4)(a) instructs Metro to include all land that “may be used” for residential infill or redevelopment in the inventory, which results in a buildable land inventory showing a supply of 386,500 dwelling units, the purpose of MetroScope modeling is to estimate how much of the capacity that *may* be used for development of those units is *likely* to be used, given existing and projected market forces, and therefore how much capacity can be counted on as being market-feasible in the next 20 years.

MetroScope is a market-based model that is partially dependent upon Metro’s population forecast and related demand for dwelling units, because higher levels of growth and related demand will cause the market to increase the supply of dwelling units on redevelopment and infill land, whereas lower levels of growth would decrease demand and result in fewer units being built in those locations. Therefore, the market-adjusted supply projected by MetroScope is necessarily impacted by the Metro Council’s selection of the midpoint of the range for population forecasting. These results are described in Appendix 4 of the UGR and summarized on page 22 of the UGR narrative. At the midpoint of the range of the growth forecast, the market-adjusted inventory estimated by MetroScope is 85,200 single-family dwelling units and 130,900 multifamily dwelling units, or a total capacity for 216,100 units inside the existing UGB

over the next 20 years. Thus, application of the MetroScope model to the capacity figures from the statutory buildable lands inventory reduces the estimated 20-year capacity inside the existing UGB by 170,400 units, from 386,500 to 216,100.

2. Housing Need Analysis

The second step in the process required under ORS 197.296(3)(b) is to analyze projected housing need by type and density range in order to determine the number of units and amount of land needed inside the UGB for each needed housing type for the next 20 years. For Metro, this step begins with the regional population and employment forecast, which is provided in Appendix 1 of the UGR and summarized on pages 14-15 of the UGR narrative. As with the buildable land inventory, Metro convened a peer review group consisting of economists and demographers to help create the 2035 forecast. The resulting forecast estimates that, at the mid-point of the forecast range, there will be about 400,000 additional people and 260,000 additional jobs inside the UGB by 2035.

Next, the projected increase in population must be converted into a number of future households. This analysis is guided in part by ORS 197.296(5)(a), which provides that the determination of future housing need must be based on data from the last five years, and that the data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Demographic and population trends;
- (D) Economic trends and cycles; and
- (E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

As required under ORS 197.296(5)(a), the UGR first considers data from the 2010 census of population and housing that identify the number, density and average mix of housing types that have actually occurred. Graphs summarizing key elements of that data are included in Appendix 4 at pages 9-12. The existing mix of housing types as of 2010 is identified as being 70 percent single family and 30 percent multifamily, with 61 percent of dwellings being owned and 39 percent rented. Approximately 63 percent of households consist of one or two persons.

It is important to note that ORS 197.296(5)(a) requires Metro to consider not just the past but also the future in order to estimate the region's housing needs over the next 20 years. In addition to consideration of actually occurring density and mix of housing types, the statute also directs Metro to consider trends in density, housing mix, demographics, population, and economics. The purpose of the analysis is described under the Goal 14 rules, which define the "housing needs

analysis” required by ORS 197.296 and Goal 10 as a local determination of the needed amount, types and densities of housing that will be “commensurate with the financial capabilities of present and future area residents of all income levels during the 20-year planning period.” OAR 660-024-0010(3). In other words, Metro’s estimate of future housing needs necessarily requires consideration of existing and future trends in order to project what the future housing needs will be in the region between now and 2035.

Residential development trends are described in Appendix 5 of the UGR, which provides data over the period from 2007 to 2012 regarding mix of housing types and density. Trends during that period are heavily influenced by the housing bust and resulting recession, with new development dropping off substantially through 2010 before starting to recover in 2011 and 2012. Noteworthy data regarding percentage mix of single family and multifamily development are provided in Table 1 (page 3), which shows that the mix of net new housing types, on average, over the five years preceding 2012 was approximately 50/50. The percentage share of multifamily increased dramatically prior to the recession, peaking at 62 percent in 2009, then dropping to 33 percent in 2010 before picking up again to 48 percent in 2012. Regarding average densities, the data from 2007 to 2012 also trend toward significantly higher densities since the recession, moving from a combined average of 16.2 units per acre in 2010 to 38.3 units per acre in 2012 for all new housing (single-family and multifamily combined). Appendix 5 also notes that from 2007 to 2012, 58 percent of all new housing in the region was built through redevelopment or infill, as opposed to being on vacant land.

Population, demographic and economic trends are also addressed in Appendix 4 of the UGR. As described in more detail below, the data in Appendix 4 point toward a decrease in average household sizes, an increase in the number of lower-income households, and an increase in the median age of households between 2015 and 2035. Current trends in development in the region also demonstrate a dramatic increase in higher density multifamily development, particularly in the City of Portland, which has produced 36 percent of the new housing in the UGB over the last 16 years. The City of Portland has also produced approximately half or more of the region’s housing in the years following the Great Recession, including over 5,400 units of new housing in 2014.

Metro’s analysis of trends related to future housing needs is contained in Appendix 4 of the UGR and summarized on pages 21-23 of the UGR narrative. The most historically accurate indicators of future housing needs are household income by household size and age of head of household. Therefore, in order to convert the population forecast into an estimated number of future households, Metro prepares a “three dimensional matrix” of these socio-economic household characteristics, which are referred to in the UGR as “HIA” classes: household size, income bracket, and age bracket. The UGR sorts all projected households in the UGB into an HIA matrix with five attribute levels for household size, eight income brackets, and five age brackets, and then estimates growth in each HIA class between 2015 and 2035.

The resulting HIA matrices show important projected changes in households between 2015 and 2035, which are described on pages 5-7 of Appendix 4. Notably, the analysis shows an increase in average age, as well as an increase in the percentage of lower income households and a decrease in the average household size. These results are depicted on the graphs included on

page 15 of Appendix 4 (Figures 3, 4 and 5). As described in Appendix 4, 68 percent of the additional new households are expected to consist of one or two persons, which is consistent with overall projected declines in average household sizes from 2.61 (in 2015) to 2.47 (in 2035). The decrease in average household size correlates to a need for additional housing to meet the needs of smaller households.

The HIA forecast also anticipates proportionally fewer households in the middle income bracket, and a larger marginal increase in lower income households, which is expected to drive a higher proportional demand for less expensive and smaller housing units in the future. Regarding age, the increase in average age correlates with the aging of the baby boom generation; by 2035, the last of the baby boomers will be of retirement age and the leading edge of the Gen X generation will be entering retirement. As noted in the UGR, a recent report from the Joint Center for Housing Studies of Harvard University states that “by 2025, the large and growing population of seniors is likely to drive up demand for alternative housing arrangements that offer a combination of affordability, accessibility, and supportive services.” UGR Appendix 4, page 8.

Also, the millennial generation (persons born since about 1980) has begun to demonstrate a potentially dramatic impact on future housing trends. Millennials are the biggest age cohort the U.S. has ever had, and 36 percent of the nation’s 18 to 31-year olds were living with their parents in 2013, in part due to their inability to afford other housing options. As noted in Appendix 4, millennials are also showing the following characteristics as compared to previous generations:

- Higher preferences for living in or near walkable urban centers;
- Higher preferences for attached housing such as townhouses, apartments and condominiums where they can walk to shops;
- Higher student loan debt;
- Having fewer children, and having them later in life;
- Being more likely to stay in urban areas after having children later in life;

As also noted in Appendix 4, developers nationwide are responding to the preferences and income levels of the millennials by reducing their housing production and focusing on apartments. The 2015 Harvard University report cites a “massive expansion” of multifamily housing stock since 2010 that is not showing signs of slowing down, and might even increase if job growth continues and young adults are able to move out of their parents’ homes. The report notes that overall construction levels are still below their historic average primarily due to low levels of single-family construction. UGR Appendix 4, page 9.

Having created a forecast of future household growth between 2015 and 2035 based on demographic trends and socioeconomic characteristics as defined by HIA class, Metro next applies the MetroScope model in order to translate the household forecast into an estimate of future housing demand by type and tenure. This analysis is described at page 15 of Appendix 4, and the results are summarized on Table 3, which identifies projected demand for single-family and multifamily units for each of the three HIA characteristics, as well as by tenure (owned vs. rented) for each HIA class and housing type.

The data shown on Table 3 are based on the midpoint of the forecast range and reflect an overall demand for 197,400 dwelling units of all types (76,926 single-family and 120,474 multifamily). However, those figures have been updated in the October 2015 Supplement at page 49 of Appendix 4 in order to reflect the direction of Metro Council to make adjustments based on changed assumptions regarding the amount of developable land in the City of Damascus. Those changed assumptions result in a demand forecast for 74,900 single-family units and 120,500 multifamily units, for a total of 195,400 dwelling units. *See* UGR Appendix 4, pages 57-60 and UGR Appendix 15.

The forecasted demand figures are then compared against the market-adjusted supply figures produced by the buildable land inventory, discussed above in section D.1 of these findings. Summaries of the breakdown of projected single-family and multifamily housing needs and supply are provided on pages 59-60 of Appendix 4 (Table 19 and 20), and also on page 22 of the revised UGR narrative. The result of the analysis is a projected surplus of 10,300 single-family dwelling units and 10,400 multifamily units in 2035.

Under ORS 197.296 and 197.299, Metro is required to ensure that there are sufficient buildable lands within the UGB to accommodate estimated housing needs for the next 20 years. Statewide Planning Goal 14 requires that “prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.” Similarly, RFP Policy 1.9.2 directs Metro to “consider expansion of the UGB only after having taken all reasonable measures to use land within the UGB efficiently.” The Metro Council finds that utilizing the inventory of developable capacity inside the existing UGB is certainly a “reasonable measure” under Policy 1.9.2. Because the UGR identifies a projected surplus of both single-family and multifamily dwelling units over the 20-year planning horizon, the Metro Council concludes that there is sufficient buildable capacity inside the existing UGB and therefore no legal basis for expanding the boundary.

3. Employment Land Analysis

In addition to the statutory and rule requirements addressed above regarding provision of a sufficient amount of residential land for needed housing, Goal 14 also requires Metro to ensure there is adequate development capacity inside the UGB to accommodate needs for employment land over the next 20 years. As with residential land, that analysis begins with a buildable land inventory, which “must include suitable vacant and developed land designated for industrial or other employment use.” OAR 660-024-0050(1). That rule requires that the inventory must be conducted in accordance with the Goal 9 rule at OAR 660-009-0015, which requires a description of all employment land sites, including site characteristics and development constraints, within each zoning district.

The approach utilized by Metro to comply with the requirements of the Goal 9 rule was developed in consultation with DLCD and is set forth in Appendix 9 of the UGR. Relevant site characteristics and data points are described in Table 1, and those characteristics are reviewed and applied to particular areas and employment land types as shown on the maps and tables in the rest of Appendix 9.

The methodology utilized by Metro in making its capacity calculations for vacant and redevelopable employment land is described in Appendix 2 of the UGR along with the residential inventory. As with the residential inventory, the methodologies for developing the inventory of employment capacity were developed by a technical working group consisting of representatives from public and private sector organizations. The specific methods for determining vacant and redevelopment capacity of commercial and industrial land are described at pages 13-15 of Appendix 2, and the methods for estimating capacity of areas in mixed-zoning are at pages 16-17.

The results of the employment land inventory are set forth in Appendix 3 of the UGR, and those results were adjusted in October of 2015 to reflect revised assumptions about future development in the City of Damascus. The adjusted supply figures are provided in Table 27 of Appendix 6 (page 35), which shows a market-adjusted inventory of 4,690 acres of land available for industrial use and 3,950 acres for commercial use.

The supply of available employment land is then compared against future demand using the methodology described in Appendix 6 of the UGR. The result of that analysis indicates a market-adjusted demand for 3,700 acres of industrial land and 3,570 acres of commercial land. Compared against the market-adjusted supply figures, this equates to a surplus of 990 acres of industrial and 380 acres of commercial land over the 20-year planning horizon. These results are described at pages 24-26 of the UGR summary.

E. Statewide Planning Goals

Goal 1 (Citizen Involvement): See findings in Section C above.

Goal 2 (Adequate Factual Base): Findings regarding the coordination element of Goal 2 are set forth above in Section B. The Metro Council finds that the UGR and the information it relies upon provide an adequate factual base for these findings and the adoption of the UGR. The Metro Council concludes that adoption of Ordinance No. 15-1361 complies with Goal 2.

Goal 3 (Farmland): The Metro Council finds that the decision to adopt the UGR and not expand the UGB is consistent with the farmland protection provisions of Goal 3. The decision maintains the existing UGB and therefore does not impact farmland; the decision is also consistent with Goal 14, and therefore consistent with Goal 3.

Goal 4 (Forestland): The Metro Council finds that the decision to adopt the UGR and not expand the UGB is consistent with the forestland protection provisions of Goal 4. The decision maintains the existing UGB and therefore does not impact forestland; the decision is also consistent with Goal 14, and therefore consistent with Goal 4.

Goal 5 (Natural Resources): The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact any inventoried Goal 5 resources and is therefore consistent with Goal 5 and its implementing rules.

Goal 6 (Air, Water and Land Quality): The Metro Council finds that the decision to adopt the UGR and not expand the UGB does not impact any comprehensive plan designations or land use regulations that relate to protection of air, water and land quality. Ordinance No. 15-1361 does not authorize any particular uses of property with environmental impacts, and therefore does not implicate Goal 6.

Goal 7 (Natural Hazards): The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact any existing local plans, polices, or inventories regarding natural hazards and does not authorize any particular uses of property in natural hazard areas; therefore, this decision does not implicate Goal 7.

Goal 8 (Recreation): The Metro Council finds that adoption of Ordinance No. 15-1361 does not involve recreation planning or destination resort siting; therefore, this decision does not implicate Goal 8.

Goal 9 (Economy): Although Goal 9 does not apply to Metro, the Metro Council concludes that adoption of Ordinance No. 15-1361 does not impact local comprehensive plans, policies or inventories regarding economic development.

Goal 10 (Housing): See findings in Section D above.

Goal 11 (Public Facilities and Services): Metro does not provide public facilities or services and does not adopt public facility plans; Metro is responsible for coordinating public facility planning by cities and counties. The Metro Council finds that adoption of Ordinance No. 15-1361 does not impact the planning for or provision of public facilities and services; therefore, this decision does not implicate Goal 11.

Goal 12 (Transportation): The Metro Council finds that the decision to adopt the UGR and not expand the UGB does not impact transportation planning or transportation facilities; therefore, this decision does not implicate Goal 12.

Goal 13 (Energy): The Metro Council finds that the decision to adopt the UGR and not expand the UGB promotes a compact urban form and the efficient use of energy within the existing UGB. To the extent Goal 13 applies, the Metro Council concludes that adoption of Ordinance No. 15-1361 is consistent with Goal 13.

Goal 14 (Urbanization): See findings in Section D above.

Goal 15 (Willamette River Greenway): The Metro Council finds that adoption of Ordinance No. 15-1361 has no impact on the Willamette River Greenway; therefore, this decision does not implicate Goal 15.