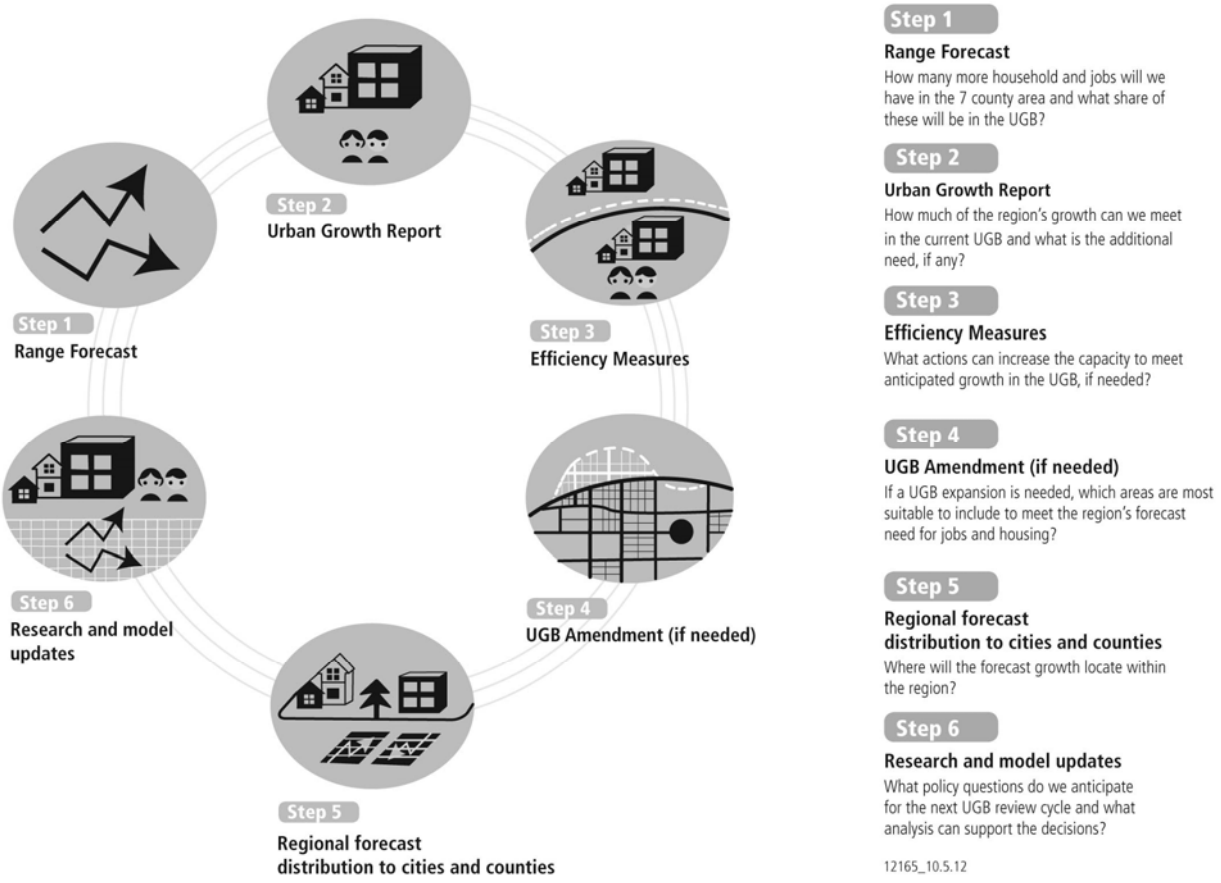
REGIONAL 2035 FORECAST DISTRIBUTION: EXECUTIVE SUMMARY

Purpose of this report

This Regional Growth Distribution report explains how Metro and local governments collaborated to forecast where population and employment forecast will be accommodated over the in 2035 based on current policies in zoning and adopted transportation plans, environmental regulations and development incentives. Planning for expected growth in population and jobs enable the region and local communities to make decisions that support good jobs, safe neighborhoods, protect farmland, and invest in public structures and services that enhance our quality of life.

Metro is required by Oregon law to forecast the population and employment growth that is expected for this region over the next 20 years. In 2009 Metro initiated its growth management decision process depicted in Figure 1. The first task in the process was the 2009 forecast of a range of 1.2 to 1.3 million households and 1.3 to 1.7 million jobs in the seven-county region (Clackamas, Clark, Columbia, Multnomah, Skamania, Yamhill, Washington) by 2030. Within the seven county total, Metro forecast the proportion expected to live and work within the Metro urban growth boundary (UGB).

Figure 1: Growth Management and Population and Employment Coordination Process



In 2010, the Metro Council adopted the capacity analysis which accounted for Regional Transportation Plan (RTP) investments and other actions that are likely to shape development patterns, and determined that some UGB expansion would likely be necessary. In 2011, the Metro Council made the urban growth boundary (UGB) decision based on investment policies and a point on the forecast range it picked.

The next step after the UGB decision, required by law, is the distribution of the forecast at smaller geographies to guide local and regional planning efforts as explained in this report. Oregon law (ORS 195.025; 195.036) requires Metro to coordinate a population forecast with local governments for planning purposes inside the UGB. Local governments that are scheduled to review and update their land use plans are expected by the Oregon Department of Land Conservation and Development to rely on the population and employment distribution information for their analysis. In addition to the state law, the Federal Clean Air Act requires Metro to use its forecast distributed at smaller geographies called traffic analysis zones (TAZ)[1] as the basis for its federally-required air quality conformity determination. This federal law requires Metro to show that the region will continue to meet the federal and state air quality regulations if the projects included in the RTP are built.

Metro has collaborated with local governments in the past to distribute the region's population and employment forecasts at the TAZ level. The last distribution, coordinated with local governments, was completed in 2006. The TAZ and city and county level distributions reflect adopted policies.

Metro Council adopted the household and employment forecast distributions by jurisdiction in November 2012 (Ordinance No. 12-1292) after the distributions were reviewed by Metro advisory committees – Metro Policy Advisory Committee, Joint Policy Advisory Committee on Transportation, Metro Technical Advisory Committee, Transportation Policy Alternatives Committee.

[1] The TAZ is the standard unit containing data representing the building blocks of Metro's key forecasting tools

How growth distribution information is used

Local governments and Metro rely on the population and employment forecast distribution to help build the future they want in the region and ensure that as jobs and population grow, they will be able to make wise investments that support economic development, safe neighborhoods and strong and vibrant communities, and minimize the burdens of growth.

The growth distribution information is useful for various entities:
Cities and Counties rely on the information to support their:

- Comprehensive plan update processes and address requirements for their periodic review of their land use plans
- Coordination of planning in areas outside Metro's jurisdictional boundary but within county boundaries.
- Planning of where to extend and upgrade pipes, roads and other essential public structures
- Identify needs necessary to update Transportation System Plan for consistency with the Regional Transportation Functional Plan and State Transportation Rule.

Schools and Special Districts can use the population and employment distribution for:

- Facility and financial planning
- Financial planning for facilities
- Parks planning
- Water and sewer system planning
- Sewer system planning
- Public school enrollment forecasting

Metro relies on the information to support:

- Updates to the Regional Transportation Plan
- Analysis of planning scenarios for the Climate Smart Communities Scenarios Project
- Transportation investments through the analysis of potential benefits of proposed projects within a half-mile radius of those projects

- Corridor planning such as the East Metro Connections Plan (EMCP) and Southwest Corridor Plan.

How Metro and local governments coordinated on growth distribution

There are two key steps in the actual forecast distribution coordinated by Metro and local governments:

- Estimating regional land supply -- existing housing and employment capacity, including undeveloped land that is available for development, based on existing zoning)
- Distributing the regional household and employment growth forecast to the available land supply

Land supply: Current approach of calculating residential land supply across the region is the buildable land inventory (BLI). The calculation method varies from one local government to another. Metro and local planners coordinated to refine the regional BLI method. The BLI method relies on local zoning to estimate the capacity of residential and employment land (how many residential units and acres of employment land can be accommodated in any area). However, not all zoned capacity will get used everywhere. The capacity estimation takes into account environmental constraints, rights of way, and future UGB expansion into urban reserves.

Additional capacity is realized from the decisions and policies made by some cities to encourage redevelopment in certain areas through incentive programs, such as urban renewal, tax abatement, streetscape and infrastructure improvements, and other policies. The additional capacity is added on top of the capacity that is based on residential and employment land zoning.

Distribution of the forecast: At this step in the process, the goal is to match the demand (forecast population and employment) with the supply (capacity of residential and employment land). The demand of forecast population was based on household size, income brackets, and age of households. Factors used to match the demand with the supply include built space by zone, location of household and employment, tenure choice (own or rent), type of building, estimate of development density, prices and cost of land, travel activity levels by mode and road segment, travel times between TAZs by time of day, and cost perceived by travelers in getting from any TAZ t another.

Summary of results

Figure 2 show the growth in households, displayed in housing units, captured inside the Metro UGB and the number of housing units captured by communities outside the Metro UGB. The forecast distribution indicates 4% decrease in the total number of single-family units captured by local governments inside the UGB (from 68% in 2010 to 64% in 2035), and slight (1%) increase in the number of multi-family units captured by local governments inside the UGB (from 83% in 2010 to 84% in 2035).

Figure 2: Housing Units (for Household) Forecast

Area	2010		2035		2010-2035 change	
	Single-Family	Multi-Family	Single-Family	Multi-Family	Single-Family	Multi-Family
Inside Metro UGB	357,090 (68%)	236,346 (83%)	452,823 (64%)	384,225 (84%)	95,733 (53%)	147,879 (84%)
Outside Metro UGB	170,422 (32%)	47,872 (17%)	256,610 (36%)	75,309 (16%)	86,188 (47%)	27,437 (16%)
Seven county PMSA	527,512 (100%)	284,218 (100%)	709,433 (100%)	459,534 (100%)	181,921 (100%)	175,316 (100%)

Figure 3 show the growth in jobs captured inside the Metro UGB and the number captured by communities outside the Metro UGB. The forecast distribution indicates a decrease in the total number of jobs units captured by local governments inside the UGB (from 82% in 2010 to 79% in 2035).

Figure 3: Employment Forecast

Area	2010	2035	2010-2035 change
Inside Metro UGB	753,032 (82%)	1,118,440 (79%)	365,408 (74%)
Outside Metro UGB	163,364 (18%)	294,167 (21%)	130,803 (26%)
Seven county PMSA	916,396 (100%)	1,412,607 (100%)	496,211 (100%)

Further analysis of the forecast distribution data reveals the following takeaways:
The TAZ level forecast distribution reflects Metro 2040 program objectives

- 32% growth in Centers and 17% in Corridors (2010-2035)
- Strong redevelopment and infill
- Future residential density rises to 12.3 unit/acre
- Growth splits of 60% MF and 40% SF (2010-2035)

Monitoring Needs:

- Single-family housing prices – step rise from 2030 to 2035.
- Capture rate for single family residential
- Commute patterns: distribution “tails” for long distance commuters begin to rise

40% increase in UGB population and 10% land absorption (2010-2035)

Future improvement of land supply estimation approach

Comments from local governments during the estimation of regional land supply acknowledged improvements in the residential capacity methodology so as to match households and land supply correctly in the long-term. The comments emphasized areas where the methodology could be further improved, such as residential location choice, including quality-of-life factors that influences a person's preference for single- or multi-family housing, and generational shift. The comments also emphasized the need to consider the difference between housing preference and living preference. In response, Metro has identified future research on:

- Residential choice study enhanced with market segmentation
- Redevelopment supply assumption refinement

It is anticipated that the research would further refine the residential capacity assumptions and methodology, provide valuable insight into how people weigh transportation and housing costs when deciding where to live, and illustrate differentiation of the full range of housing needs in the region. Implementation of the research is dependent on funding availability.

Sharing the information

The forecast distribution data and other information can be found at the following FTP site.

ftp://ftp.oregonmetro.gov/dist/gm/TazAlloc2010/FINAL_2035-2040_TAZforecast/