

2040 forecast distribution update: Background and outline of process

What is forecast coordination?

Regional and community plans, policies, and investments work best when they are coordinated and reflect a shared understanding of where household and job growth is likely to occur. One way Metro coordinates its regional forecasts with local governments is to distribute the regional forecasts to smaller geographic areas—Transportation Analysis Zones, or TAZs – using its land use and transportation models. This is called a forecast distribution. These forecast distributions are used to update land use plans, regulations and related policies at the local and regional level.

When was the last time Metro completed a forecast distribution?

Oregon law requires that every six years Metro forecast population and employment growth for the Portland region for the next 20 years. The law requires that Metro then coordinate its regional forecasts with governments within the urban growth boundary. The most recent forecast distribution was adopted by Metro in late 2012 and is based on a regional forecast that was completed in 2009.

Why is a new forecast distribution needed now?

An update of the Regional Transportation Plan (RTP) is getting underway with an intended adoption date of December 2018. The 2018 RTP will need to rely on a TAZ-level forecast distribution. However, the 2012 forecast distribution would provide out-of-date data. To meet RTP deadlines, a new forecast distribution would need to be adopted by the Metro Council by early 2016. Following are some reasons why a new forecast distribution is needed:

- The Great Recession lasted longer and deeper than reflected in the 2012 forecast distribution.
- Recovery from the Great Recession was slower and weaker than expected in the 2012 forecast distribution.
- The City of Damascus appears likely to disincorporate in 2016, potentially making the western portion of the area more likely to develop as part of Happy Valley and the eastern portion unlikely to develop for decades.
- Census data show demographic shifts that have implications for slower regional growth.
- The Metro Council will be adopting a new regional (7-county MSA) forecast in the fall of 2015. Using this new regional forecast as a basis for a TAZ distribution will ensure greater consistency between land use and transportation plans.

How will this process be faster than usual?

The process outlined in the timeline below is faster than previous forecast distribution efforts, which have taken over two years to complete. This update will be conducted more quickly because it will build on the lengthy review conducted for the last forecast distribution and the 2014 Urban Growth Report. During those processes, Metro conducted extensive technical engagement on methods to use to identify the region’s buildable land inventory, which is a core input into modeling. This process will not revisit those methodologies. Instead, coordination efforts will focus on base year household and employment counts and revisions to the buildable land inventory that reflect local knowledge.

General timeline (subject to change)

Late July, 2015:	Convene county coordination leads to review purpose, timelines and roles
Early to mid August, 2015:	Convene city and county planning managers or designees for an overview of the process and timelines
September 15, 2015:	Metro Council provides initial direction on point in range forecast
September –October, 2015:	County leads convene meetings with city staff to confirm 2015 base year numbers and buildable land inventory assumptions
Mid November, 2015:	Metro Council urban growth management decision
Early December, 2015:	Metro staff completes modeling
Mid December, 2015:	County leads convene meetings with city staff to review distribution results
Mid January, 2016:	Metro staff finalizes distribution results
Late February, 2016:	Council work session on draft results
Mid March, 2016:	Council consideration of ordinance adopting forecast distribution

2015 TAZ Forecast Distribution: Ground Rules for Redistribution of Growth

Preliminary estimates of employment and household growth distributions (by TAZ) are prepared carefully using the latest information we have on hand based on variables within our control and understanding. Metro will provide a preliminary estimate of TAZ growth allocations that will incorporate the following growth management and transportation forecast inputs:

- A jurisdiction reviewed buildable land inventory
- A regionally accepted regional forecast
- Best available inputs from the transportation demand model
- Current regional land use policies and local zoning codes and regulations

But even so, socio-economic conditions can change quickly or episodic growth occurs in locations and situations that trend expectations would not have foreseen. The economy is comprised of individual businesses and households all growing and responding to socio-economic stimuli and dealing with regulations and rules, but sometimes the actors in the economy may make an idiosyncratic decision that ripples across the region in significant and unpredicted fashion. As a result, the local review of growth allocations is very important to the process.

Metro will provide “preliminary” TAZ-level growth allocations to be reviewed. General ground rules for adjusting these TAZ level growth projections:

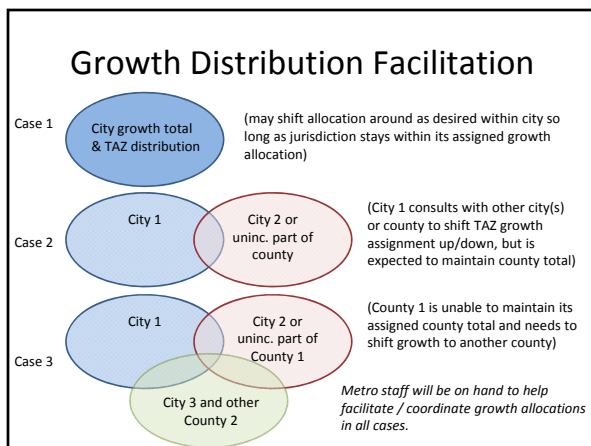
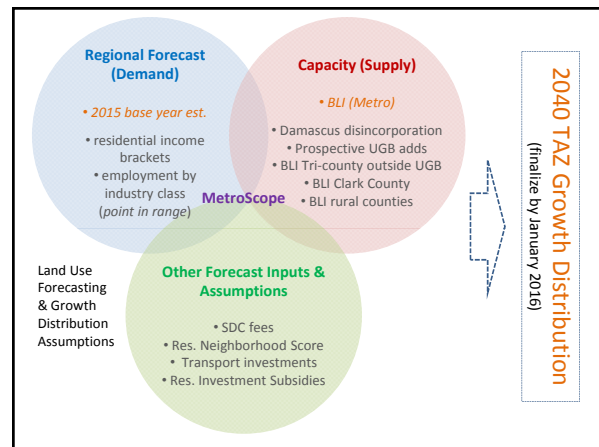
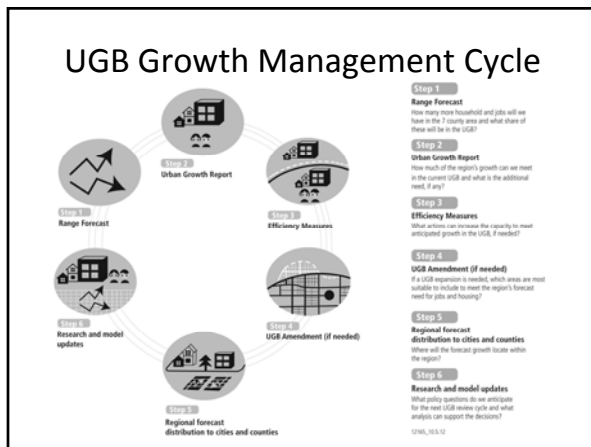
1. Cities / jurisdictions will be given a “control” total for the amount of growth expected in jobs and households between 2015 and 2040. If cities / jurisdictions accept their totals, they may adjust their TAZ allocations within their own single city / jurisdiction as they see fit. (Some cities may have urban service boundaries and agreements to perform the planning on behalf of the unincorporated area or adjacent jurisdiction(s). This can be accommodated with the consent of the jurisdictions in order to avoid “double counting”.)
2. Cities who want to adjust the total growth (increase or decrease) assigned as a whole must identify the desired change in growth totals and seek county and Metro guidance to make any cross-jurisdiction adjustment(s). It is important to the allocation process that regional and county growth totals match with accepted regional figures handed down from the Metro Council. To the extent possible, mutual agreement is desirable.
3. The county may choose to adjust (increase or decrease) rural or unincorporated growth by swapping growth with incorporated cities from within their own county if the city(s) agree. The county is responsible for maintenance of its assigned unincorporated county growth total and the sum of growth distributed to incorporated cities. If the county feels that its growth total assigned to it needs to be adjusted (increase or decrease), but wants to hold its cities “harmless”, it should seek guidance with Metro and the other counties to determine if cross-county redistribution is agreeable. The county is responsible (under state law) for the distribution of growth to cities outside the Metro boundary, but Metro is not. To the extent possible, mutual agreement is desirable for maintaining the county and regional growth totals in this distribution process.
4. Growth allocations with Clark county will be handled outside of this process due to different state rules and regulations.

TAZ Forecast Distribution Outreach & Coordination (2015 to 2040)

August 19, 2015
Metro Council Chambers

Today's Agenda

Desired outcome: Shared understanding of project purpose, objectives, roles, and proposed timeline.	
10:00	Introductions (<i>Williams</i>)
10:05	Review purpose of meeting, project background and linkages to other Research Center priorities (<i>Frkanja</i>)
10:10	Connection to Urban Growth Management Decision and Regional Transportation Plan (<i>Williams</i>)
10:15	Explanation of consultation diagram and role of County Leads (<i>Yee, Wardell, Fritzie</i>)
10:20	Overview of model specifications with identification of items needing review (<i>Yee</i>)
10:30	Review project timeline (<i>Hamilton</i>)
10:35	Questions and discussion (<i>All</i>)
11:00	Adjourn



Project Timeline

Late July 2015	Convene county coordination leads to review purpose, timelines and roles
Mid-to-late Aug. 2015	Convene city/county planning mgrs. for overview of process and timelines
Sep. 15, 2015	Metro Council initial direction on point in range forecast
Sep. - Oct. 2015	County leads convene meetings with city staff to confirm: <ul style="list-style-type: none"> • 2015 base year jobs and population • Buildable land inventory assumptions (BLI)
Mid Nov. 2015	Metro Council UGB decision
Early Dec. 2015	Metro staff completes TAZ modeling & forecast
Mid Dec. 2015	County leads convene meeting with city staff to review forecast distribution / results
Mid Jan. 2016	Metro staff finalizes TAZ forecast distribution
Late Feb. 2016	Council work session on TAZ forecast distribution
Mid March 2016	Council consideration of ordinance to adopt TAZ distribution

Q & A and Next Steps

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- Buildable Lands Inventory methods (UGR, Appendix 2)
<http://www.oregonmetro.gov/sites/default/files/Appendix%20%20-%20BLI%20methods.pdf>

MetroScope Scenario Proposal for 2015 RTP TAZ Forecast Allocation

August 2015

Metro Research Center

Theme	Major category	Subcategory	Scenario Assumption
DEMAND (FORECAST)	Forecast control totals for Portland-Hillsboro-Vancouver, OR-WA, MSA (7 counties) <i>Source: MARIO14.xlsx</i>	Households	2010: 867,794 (Census 2010) 2035: 1,185,775 (point in range TBD) 2010-35: 317,981 %APR: 1.26%
		Employment	2010: 968,800 (BLS 2010 estimate) 2035: 1,484,500 (point in range TBD) 2010-35: 515,500 %APR: 1.76%
		Income Bracket	Update regional income to Census based 2010 dollars (HIA distr.)
SUPPLY (CAPACITY)	Metro UGB	Vacant Buildable Land	2013 vacant land based on aerial photography, permit data, and assessor records and amended by local review. Environmental constraints based on latest 2010 data and major known utility easements (methodology described in 2014 UGR draft, App. 2)
		Damascus	Utilized the capacity in the disincorporation scenario, i.e., western part phased in at new urban densities per Damascus zoning concepts and eastern part remains as current rural zoning by Clackamas (No Damascus scenario)
		Redevelopment and Infill	Tax lots are eligible for redevelopment if the total real market value (land + improvements) per square foot is less than a "strike price", estimates overseen by the local BLI review process (methodology described in 2014 UGR draft, App. 2)
		Recent UGB Expansions	Post-1994 expansion areas are a combination of local zoning, comp plans, and concept plans. New areas inside the UGB as a result of HB 4078 are assumed to follow the Metropolitan Housing Rule (50% capacity in Multi-family)
		Prospective UGB Expansions	Expansion locations based on the 2011 Urban Reserves decision and HB 4078. Timing of infrastructure availability informed by local jurisdiction review from "gamma forecast"
	Tri-County Outside UGB	Urban Areas	Buildable capacity assumed to be twice the 2000 Census households, except where information was provided by local jurisdictions.
		Rural Residential	Exception land, excluding public ownership and high-value properties. Dwelling unit capacity calculated from minimum lot size of county zoning.
		Measure 49	Assumes three dwelling units per Measure 49 claims
	Clark County	Vacant and Developed Land	2012 VBLM - provided by Clark County GIS, using Clark County methodology
		Rural Residential	2012 Draft rural residential study
		Urban Growth Area Expansions	Clark Co. urban reserve areas in effect in 2009. Zoning is based on latest comp plans
	Columbia, Yamhill, Marion Counties	Urban Areas	Buildable capacity assumed to be twice the 2000 Census households, except where information was provided by local jurisdictions.
OTHER FORECAST INPUTS	Residential Construction Costs (SDC fees)		Per unit construction costs based on Metro and Homebuilders Association surveys.
	Residential Neighborhood Score		Neighborhood score is an input that describes the relative desirability of different neighborhoods based on statistical analysis of historic residential sales data.
	Transportation & Accessibility		Transportation networks from the Metro 2035 RTP: 2015 forecast years: no build network (2014 RTP) 2020, 2025 forecast years: 2017 AQ network (2014 RTP) 2030, 2035 forecast years: "financially constrained" 2040 network (2014 RTP) 2040 forecast year: Climate Smart Communities 2035 network
	Incentivized Redevelopment (e.g. Urban Renewal Subsidies)		Three tiers of location specific incentives (\$50,000, \$25,000 and \$10,000 per new redeveloped unit) which reflect locations with active residential urban renewal or represent other incentives, such vertical housing tax credit. Capacity varies for specific areas receiving subsidies in accord with program boundaries and the units estimated from BLI analysis (please refer to the schedule for incentivized redevelopment in the 2014 UGR, App. 11)