

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF COMPLETING) ORDINANCE NO. 00-871A
COUNCIL CONSIDERATION OF URBAN)
GROWTH BOUNDARY AMENDMENTS)
REQUIRED BY ORS 197.299, COMPLETING) Introduced by Growth Management
PERIODIC REVIEW WORK TASK 1 AND) Committee
ADOPTING AMENDMENTS TO THE)
REGIONAL FRAMEWORK PLAN AND)
SECTION 3.01 OF THE METRO CODE)

WHEREAS, Metro is responsible for the regional Urban Growth Boundary (“UGB”) for the 24 cities and urban and urbanizable portions of 3 counties under ORS 268.390(3); and

WHEREAS, the courts have determined that the regional UGB, including Metro’s UGB amendment process, is a comprehensive plan provision subject to Land Conservation and Development Commission (“LCDC”) acknowledgment and Periodic Review for compliance with applicable statewide land use goals; and

WHEREAS, Metro’s established UGB last completed Periodic Review by LCDC in December, 1992; and

WHEREAS, Metro’s regional UGB is subject to its regional urban growth goals and objectives, including the Region 2040 Growth Concept which was acknowledged by LCDC in 1996; and

WHEREAS, Metro adopted Ordinance 96-647C the Urban Growth Management Functional Plan (“UGMFP”), in November 1996, to implement Metro’s acknowledged Region 2040 Growth Concept which establishes the policies and identifies the compact urban form for the region to the year 2040 on the acknowledged concept map; and

WHEREAS, Metro incorporated the UGM Functional Plan into the Regional Framework Plan, Ordinance No. 97-715B, and into Metro Code Chapter 3.07; and

WHEREAS, the UGMFP required local governments in Metro's jurisdiction to adopt new measures to increase the zoned capacity for housing to meet target capacities for residential dwelling units, for mixed use areas, and for employment, set forth in Title 1, Table 1 of the UGMFP (Metro Code 3.01.110); and

WHEREAS, local governments were required to adopt these new measures in their comprehensive plans and zoning ordinances by February, 1999. Most local governments in Metro's jurisdiction have complied with Title 1 or have or requested a limited extension from the Metro Council; and

WHEREAS, future analysis of the capacity of the regional UGB will take into account the performance of local governments in complying with the UGM Functional Plan; and

WHEREAS, in December, 1997, to carry out Section 5(2)(b)(2) of the Metro Charter, Metro adopted Ordinance 97-715B the Regional Framework Plan ("RFP") which included provisions for "management and amendment of the urban growth boundary;" and

WHEREAS, the RFP sets forth nine variables that Metro is required to consider during any legislative amendment of the UGB; and

WHEREAS, also in December, 1997, as part of its five-year legislative review of the UGB, Metro completed an Urban Growth Report applying the nine variables for legislative amendments of the UGB consistent with the RFP; and

WHEREAS, pursuant to ORS 197.299, Metro was required to meet three deadlines to determine whether the regional UGB required expansion for the period 1997-2017; and

WHEREAS, the Metro Council met the first deadline in 1997 by completing an inventory of buildable lands based on 1994 data and adopting a need in for approximately 32,370 dwelling units that could not otherwise be accommodated in the UGB; and

WHEREAS, in 1998, the Metro Council complied with the second deadline in ORS 197.299 by adding 3,527 acres of land to the UGB, by ordinance, to provide capacity for approximately one-half of the dwelling units needed for a 20-year housing capacity inside the UGB; and

WHEREAS, DLCD Director Benner concluded that Metro's 1998 UGB amendments met the second deadline in ORS 197.299; and

WHEREAS, to estimate the remaining housing capacity inside the UGB to determine any need for UGB amendments to meet the third deadline in ORS 197.299, and meet the requirements of Goal 14, Metro worked throughout 1999 to publish the 1997 Urban Growth Report Update containing the best available data for the period 1994-1998, and again applying the nine variables required by the RFP; and

WHEREAS, during 1999 Metro adopted legislative UGB amendments and one locational adjustment that provided approximately 2,100 dwelling units; and

WHEREAS, the 1997 Urban Growth Report Update revised the 1997 assumptions on the extent of riparian protection for environmentally sensitive areas to reflect the vegetated corridor requirements in the water quality and flood management sections of Title 3 of the UGMFP (Metro Code 3.07.340); and

WHEREAS, the Metro Council accepted the calculation of need in the 1997 Urban Growth Report Update for the purpose of requesting an extension from the LCDC for meeting the third deadline in ORS 197.299; and

WHEREAS, LCDC granted the extension to allow Metro to review calculations for accessory dwelling units, environmentally constrained land and the potential impact of Metro's

Fish and Wildlife Habitat Conservation program which would amend Title 3, Section 5 of the UGMFP; and

WHEREAS, on April 13, 2000, the Metro Council requested that LCDC initiate periodic review of the Metro UGB; and

WHEREAS, on May 25, 2000, the Metro Council adopted a periodic review work program and thereafter transmitted the work program to LCDC for approval; and

WHEREAS, Task 1 of the periodic review work program requires Metro to determine the supply of buildable land for housing and jobs for 20 years and accommodate any need, if such a need were determined, through UGB expansion; and

WHEREAS, on July 28, 2000 LCDC approved Metro's periodic review work program; and

WHEREAS, Metro staff completed an Urban Growth Report 2000 Update to address the work identified by LCDC in its January 3, 2000 order granting Metro's extension; and

WHEREAS, The computation of need described in Exhibit A applies the nine variables identified in the RFP for considering legislative amendments to the regional UGB. This computation demonstrates that the UGB contains sufficient buildable lands to accommodate housing needs for the years 1997-2017 resulting in a 100 dwelling unit surplus for that 20 year period; and

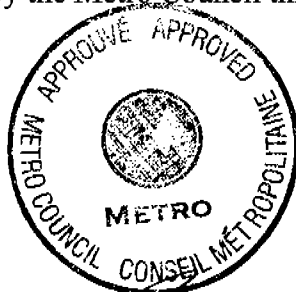
WHEREAS, notice of hearing, consistent with Metro Code and ORS 197.610(1), was sent to the DLCD at least 45 days prior to the first evidentiary hearing on September 14, 2000; and

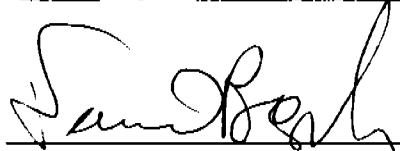
WHEREAS, hearing(s) were held before the full Metro Council on September 14 and 21, 2000, and October 12, 19 and 26, 2000; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the Metro Council adopts the inventory of buildable lands, and estimate of housing need required by ORS 197.299(2)(b) and 197.296(3) attached and incorporated herein as Exhibit A.
2. That the Regional Framework Plan is amended as shown in Exhibit B, attached and incorporated herein.
3. That the Metro legislative amendment criteria (Metro Code 3.01.020) for amending the regional urban growth boundary are amended as shown in Exhibit C, attached and incorporated herein.
4. That Metro adopts the Findings and Conclusions supporting this ordinance in Exhibit D, attached and incorporated herein.
5. The provisions of this ordinance are separate and severable. The invalidity of any clause, sentence, paragraph, section, subsection, or portion of this ordinance or the invalidity of the application thereof to any city, county, person or circumstance shall not affect the validity of the remaining provisions of this ordinance or its application to other cities, counties, persons or circumstances.

ADOPTED by the Metro Council this 26th day of OCTOBER 2000.





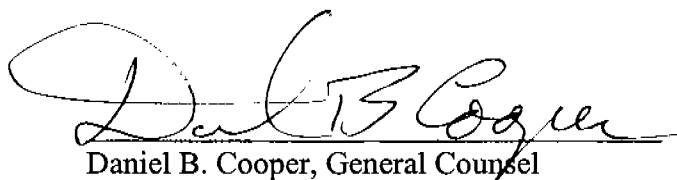
David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:



Recording Secretary



Daniel B. Cooper, General Counsel

**Exhibit “A” of
Ordinance No. 00-871A**

State Law Requirements for 20 Year Buildable Land Supply

State law requires that at the time of periodic review or any other legislative review of the urban growth boundary (“UGB”) Metro must “provide sufficient buildable lands” within the urban growth boundary to “accommodate estimated housing needs for 20 years.” ORS 197.296(2). In 1997, the Oregon Legislature adopted legislation requiring Metro to accomplish three tasks related to the regional UGB. ORS 197.299. The legislation first required Metro to complete an inventory of buildable lands¹ within the UGB. Metro completed this task by calculating the inventory of buildable lands in the 1997 Urban Growth Report and adopting the conclusions of that report in the Regional Framework Plan. As of 1997, the calculations indicated a need for approximately 32,370 dwelling units for the period 1997-2017 based on 1994 data. As a second task, the legislation required Metro to “take such action as necessary” to provide one-half of the land needed to accommodate housing needs for 20 years by the end of 1998. Metro complied with this provision by adopting UGB amendments to add land to accommodate approximately 18,100 dwelling units.

As the third task, the legislation required Metro to “take all final action ... necessary to accommodate a 20 year buildable land supply.” ORS 197.299(2)(b). In 1999, Metro staff compiled data in the 1997 Urban Growth Report Update (September 1999) (“UGR Update”) to respond to this requirement. The data and analysis in the UGR Update was accepted by the Metro Council in Resolution 99-2855C in November, 1999, for the purpose of requesting that the Land Conservation and Development Commission (“LCDC”) grant Metro an extension to complete the requirements of ORS 197.299(2)(b). The data in the UGR Update showed that the area within the UGB as of 1999 contained a surplus of 200 dwelling units. However, Metro identified a potential need for up to 15,000 dwelling units resulting from regional regulations to protect Fish and Wildlife Habitat pursuant to Title 3, Section 5 of the Urban Growth Management Functional Plan (“UGMFP”) that Metro anticipated adopting by the end of 2000.

On January 3, 2000 LCDC granted Metro extension to ORS 197.299(2)(b) to October 31, 2000 to complete additional calculations regarding environmentally sensitive lands, jobs/housing imbalances, and estimated numbers of accessory dwelling units. During early 2000, the Metro Council determined that the process to adopt regional regulations for Fish and Wildlife Habitat protection would likely extend into 2001.² For this reason, calculations to estimate the dwelling unit capacity of environmentally sensitive areas were limited to areas regulated by Metro’s Water Quality and Flood Management areas identified in Title 3, Sections 1-4 of the UGMFP. To complete the work required to

¹ “‘Buildable lands’ means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses. Buildable lands includes both vacant land and developed land likely to be redeveloped.” ORS 197.295(1).

² Resolution No. 00-2912.

comply with ORS 197.299(2)(b), and to comply with Statewide Planning Goal 14 which requires local governments to use the best available data when considering UGB amendments, Metro staff conducted a review of the data in the UGR Update accounting for the first year (1997-1998) of development that occurred for the period 1997-2017, addressing the estimates required by LCDC and calculating the remaining dwelling unit need for 1998-2017. This data is contained in the 1997-2017 Land Need Report.

Data and Calculations to Support Final Action to Accommodate 20 Year Buildable Land Supply

20 Year Forecast of Population

A calculation estimating whether sufficient buildable land exists within the UGB starts with a forecast of population as required by state law and Statewide Planning Goal 14. ORS 195.036. The RFP requires Metro to base its assessment of UGB capacity on “a forecast of population and jobs for the new 20 year period.” Chapter 1, RFP, p. 41. Metro’s compliance with ORS 197.296 and 299 are based on the “2015 Regional Forecast.”³ The forecast estimates that by the year 2017, the four county area of Washington, Clackamas, Multnomah and Clark counties will have approximately 579,700 new residents. Historically, the Metro UGB has attracted about 70 percent of new population growth. That means by 2017, the Metro UGB will have a need to accommodate housing for about 410,000 more residents resulting in a demand for approximately 205,200 new dwelling units for the period 1997-2017.

Inventory of Buildable Lands

To ensure that urban growth boundaries contain sufficient land to accommodate estimated housing needs for 20 years local governments and Metro must “inventory the supply of buildable lands within the urban growth boundary.” ORS 197.296(3). This inventory is then compared to the forecasted need for housing. State law does not prescribe any particular methodology for conducting the inventory. In 1997, the Metro Council adopted variables in the Regional Framework Plan that Metro must consider in calculating the supply of buildable lands for the region. The variables were applied in the 1997 Urban Growth Report, UGR Update and are the basis for completing the additional work required by LCDC in its January 3, 2000 extension order. The estimates related to these variables are the data used to determine whether the UGB contains sufficient buildable lands for 20 years in compliance with ORS 197.296(2).

The RFP requires Metro to complete specific estimates for buildable lands, reductions for public facilities and services and additions for redevelopment, infill development and upzoning by local governments. Chapter 1, RFP p. 41.

³ The analysis in the 2015 Regional Forecast was extended to calculate a population forecast for all years up to 2020 to account for the 20 year period 1997-2017.

Estimate of Unbuildable Land

The RFP requires that Metro “estimate the amount of unbuildable land (land over 25 percent slope, etc.)” The 1997 Urban Growth Report estimated unbuildable lands by considering steep slopes and assuming a 200 foot unbuildable area on both sides of streams within the UGB. Since Metro has not yet completed regulations for Fish and Wildlife Habitat areas, the UGR Update assumes that only the area regulated by Title 3 Water Quality and Flood Management regulations.⁴ This means that for most streams in the region, the area between 50 and 200 feet from the edge of streams will be assumed to be buildable to some degree. The UGR Update estimated the dwelling unit capacity of these lands to be approximately 3,200 dwelling units based on historical densities.

After reductions for Title 3 regulated areas and steep slopes, the estimate of Gross Buildable Acres (all buildable lands) inside the UGB is 37,600 acres.

Reductions for Infrastructure and Facilities

The RFP requires that the calculation of need make reductions to the buildable land estimate for “streets, parks, etc.” Metro staff identified several categories of land that are not available for housing or employment because the land provides for infrastructure, public facilities, religious and social services or is already platted and legally buildable for single family residential use.

Exempt Land

These are lands that are owned by federal, state, county or city governments in their proprietary capacities. The land is assumed to be available for facilities and services essential to those governmental bodies’ respective functions. The estimate for these exempt lands within the UGB is 1,900 acres.

Land Already Platted for Single Family Residential Use

Lands already platted for single family lots are assumed to already be available for residential use and, therefore, are unavailable for other categories of use that may occur on buildable lands generally. These platted lots, approximately 16,300 lots, are considered part of the supply of residential land supply in a subsequent step in the RFP analysis. The estimate for the number of acres of legally buildable single family lots is 2,900 acres.

Streets

The number of acres needed for the provision of future streets is estimated on a sliding scale. No reduction is applied for parcels of land less than 3/8 of an acres in size. A 10 percent reduction is applied for lots between 3/8 and one acre in size. An 18.5 percent

⁴ 1997 Urban Growth Report Update p. 66.

reduction is applied to parcels larger than one acre. The estimate for the amount of land needed to provide for future streets is 5,400 acres.

Schools

The number of acres needed for future schools is estimated by calculating students per acre for each school category - elementary, middle and high schools. Metro gathered information on students per acre through informal surveys of school districts in the Metro area. The estimate for the amount of land needed for future schools is 1,100 acres.

Parks

Land needed to provide for future parks is estimated by determining the existing number of park acres within the UGB per 1,000 persons. Metro owned lands outside the UGB purchased with Open Spaces Bond Measure funds are anticipated to provide park land amenities to residents inside the UGB. For this reason, the estimate of land needed for future parks inside the UGB is reduced by those acres of open space lands already purchased by Metro and the number of acres anticipated to be purchased outside the UGB in the future. The estimate for the amount of land needed for future parks is 3,700 acres.

Churches and Social Organizations

Like the parks estimate, the amount of land needed for future places of worship and social organizations is calculated by determining the existing number of acres for such uses within the UGB per 1,000 persons. Metro estimates this ratio to be 1.4 acres of church and social organization land per 1,000 persons. Based on this ratio, future need for these lands is about 600 acres. However, Metro staff identified approximately 717 acres of vacant land currently owned by churches and social organizations. This amount of land will satisfy the 600 acre identified need, and because the surplus 100 acres will not necessarily be available for future housing or employment use, the actual amount of land owned by these organizations is considered the amount that will be needed for future use. The estimated amount of land needed for churches and social organizations is 700 acres.

Calculation of Net Vacant Buildable Acres

The estimate of net vacant buildable acres is calculated by subtracting the RFP variable estimates for unbuildable lands, exempt lands, legally buildable single family lots, streets, schools, parks, churches and social organizations from the estimate of gross vacant buildable acres. After these reductions, there are estimated to be 21,900 net vacant buildable acres within the UGB. This estimate includes vacant land available for all types of urban uses such as, residential, commercial and industrial use.

The RFP variables require further estimates to determine the approximate number of dwelling units that can occur on vacant residential land. Residential land is a subset of the 21,900 acres of net developable land. It is estimated that approximately 13,200 acres

of the 21,900 net developable acres are available for residential use.⁵ Based on Standard Regional Zoning Designations for residential and mixed use zones, it is estimated that the 13,200 acres of residentially zoned land within the UGB can accommodate approximately 88,600 dwelling units.

Difference Between Zoning Maximum Densities and Actual Built Densities

The RFP requires that the estimate of the number of dwelling units that can be accommodated on residentially zoned lands be reduced to account for the “probable difference between zoning maximum densities and actual built densities.” This requirement is addressed by an estimate of the “underbuild rate.”⁶ Underbuild represents the number of dwelling units that are not likely to occur on residentially zoned lands because property owners, for a variety of reasons, decide not to develop their property to the maximum allowed under local zoning codes. In 1996, the Metro Council adopted requirements in Title 1 of the UGMFP that local governments adopt measures to insure residential zones are developed to at least 80 percent of the maximum allowed density. This regional requirement is the basis for the assumption that the underbuild rate will be no more than 20 percent for residential development within the UGB. The estimate of the difference between zoning maximum densities and actual built densities is a reduction of 25,800 dwelling units. However, local compliance with the UGMFP indicates that many jurisdictions are requiring and achieving minimum densities of greater than 80%, so that the actual underbuild in the future may be less than 20%.

The reduction for underbuild is partially offset by two additional estimates that will add to the number of dwelling units that can be accommodated within the UGB for 20 years. Those estimates are for development in mixed use zones and dwelling units estimated to result from local government upzoning to meet Region 2040 Growth Concept goals. The estimate for the number of dwelling units that may occur as a result of local implementation of mixed use zones is an additional 4,300 dwelling units for the 20 year period.⁷

The estimate for the number of dwelling units that may be added as a result of local implementation of the Region 2040 Growth Concept assumes higher densities along transit corridors, main streets and regional and town centers. The estimate for the number of dwelling units to be added due to 2040 upzoning is 36,200 dwelling units for the 20 year period.

Reductions for Parcels with Full Buildout Obstacles

The RFP requires estimates of the number of dwelling units that may not occur due to development obstacles including lands with “8-24 percent slopes.” The UGR Update estimated that most of the buildout obstacles in areas of moderate slopes would occur in

⁵ 1997 Urban Growth Report Update, p. 37.

⁶ 1997 Urban Growth Report Update, p. 38.

⁷ 1997 Urban Growth Report Update, p. 37.

lands regulated by Metro's Title 3 water quality and flood management regulations. Based on historical levels of development, the UGR Update estimated that approximately 3,200 dwelling units could be accommodated in Title 3 regulated areas.⁸

As part of its extension order, LCDC required Metro to reassess development capacity in environmentally sensitive areas. Staff analysis examined the lots that were partially and fully regulated by Title 3. Where existing residences were already located in Title 3 areas it was assumed that Title 3 would likely limit full buildout. However, for vacant lots that are located completely inside the Title 3 regulated area it was assumed that at least one single family residence would be allowed consistent with the UGMFP. Approximately 500 lots were identified in these areas yielding an estimate of 500 dwelling units for these lots. Staff also identified approximately 250-300 permits issued on vacant lands in Title 3 regulated areas during 1998 and 1999 that would add to the number of dwelling units allowed in environmentally sensitive areas.⁹

Consideration of Time to Allow Local Jurisdictions to make Zoning Changes

The RFP requires that Metro consider the "time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required." Identified as "ramp up," this calculation is related to Title 1 UGMFP requirements to achieve 80 percent of zoned densities in existing residential zones within the UGB. This consideration is accomplished by estimating the number of dwelling units per year, over a five year period (1994-1999), that will not be accommodated because local governments region wide have not fully implemented Title 1 of the UGMFP. The number of unrealized dwelling units is estimated for 1999, the final year of ramp up, at 1,300 dwelling units.

Redevelopment and Infill

The RFP requires "an estimate of the probable amount of additional redevelopment" and "projections of probable infill on built land." Residential redevelopment occurs when a structure is demolished and others are constructed in its place. Infill occurs when residential land that already supports dwelling units adds additional dwelling units as permitted in the zone. The UGR Update combines these two estimates into one estimate called "refill." Residential lands within the UGB are estimated to refill at an average rate of 28.5 percent over the period to 2017. Applying this rate results in an estimated additional accommodation of 58,500 dwelling units over 20 years.

Infill also includes estimates for accessory dwelling units. The UGR Update estimated approximately 7,500 dwelling units could be accommodated through accessory dwelling units in residential zones. As part of LCDC's extension order, Metro was required to review this estimate. Metro staff completed this review and determined that 7,500 dwelling units is the best estimate based on available data.¹⁰

⁸ 1997 Urban Growth Report Update, p. 25.

⁹ July 6, 2000 memorandum, "Re: Projected Development Capacity in Title 3 regulated areas."

¹⁰ March 31, 2000 memorandum, "Re: Accessory Dwelling Units."

Evaluation of the Amount of Farm Tax Assessment Lands Within the UGB that are Likely to be Urbanized

Consistent with Goal 14, all land inside the UGB is assumed to be available for urban use. Over the 20 year planning period, staff assumed that all lands that currently qualify for farm tax assessment are likely to urbanize.

Conclusion - Comparing Regional Forecast and Supply of Buildable Lands

Total supply of residential land to accommodate housing needs within the UGB is calculated by making the additions and reductions for the estimates required in the RFP. This calculation is summarized in the 1997-2017 Land Need Report and in Exhibit B, Table 1.1 of this ordinance. The calculation required by the RFP shows a dwelling unit supply prior to the UGB amendments adopted by the Metro Council in 1998 of approximately 185,100 dwelling units.¹¹ The UGB amendments adopted in 1998, using the same assumptions to determine net developable land and dwelling unit capacity result in approximately 18,100 additional dwelling units to accommodate housing need to 2017. Additional land to accommodate housing need was added to the UGB by the Metro Council in 1999. These were comprised of portions of former urban reserve areas 41 and 65, and a locational adjustment that in total added an additional estimated 2,100 dwelling units. Adding the capacity of these UGB amendments to the estimate of housing supply in 1997 results in a total supply of 205,300 dwelling units to accommodate housing need for the period 1997-2017.

The Regional Forecast discussed above estimates that approximately 205,200 dwelling units will be needed within the Metro UGB to accommodate projected population increases to 2017. Comparing the estimated supply of dwelling units to the Regional Forecast results in a 100 dwelling unit surplus for 2017. This calculation demonstrates that there is no “demonstrated need to accommodate long-range urban population growth requirements” to satisfy Goal 14. The 100 dwelling unit surplus also demonstrates that no further UGB amendments are required to satisfy the requirements of ORS 197.299(2)(b).

¹¹ This includes the estimated 16,300 existing legally buildable lots identified in the calculation of net vacant land.

**Exhibit “B” of
Ordinance No. 00-871A**

Amend Chapter 1 of the Regional Framework Plan (Ord. 97-715B), UGB Analysis pg. 41:

The Urban Growth Boundary is one of the primary tools available to the region for managing urban form. In turn, the estimated capacity of the boundary to accommodate growth is of critical importance to managing the UGB. Assessment of the current UGB capacity includes analysis of nine variables. At periodic review or any other legislative review of the urban growth boundary Metro shall calculate, consistent with ORS 197.296 (1999), the supply of buildable lands for housing and employment within the urban growth boundary by determining estimates of at least the following variables:

- aA 20 year forecast of population and jobs for the land inside the existing urban growth boundary consistent with ORS 195.036. ~~next 20 year period~~
- an estimate of ~~t~~The amount of unbuildable land (land over 25 percent slope, etc.); including regulated Water Quality and Flood Management areas, Fish and Wildlife Habitat Conservation areas and lands having slopes equal to or exceeding 25 percent.
- The number of dwelling units that may occur on buildable parcels considering buildout obstacles, including Water Quality and Flood Management Areas, Fish and Wildlife Habitat Conservation areas and land with 8-24 percent slopes.
- reductions to remaining buildable land for streets, parks, etc. The amount of land unavailable for development that is used for streets, schools, parks, churches and social organizations, vacant legally buildable single family lots, and federal, state, county and city owned lands.
- The number of dwelling units that may occur on vacant buildable land inside the existing urban growth boundary based on current residential zoning designations.
- Reductions of the number of dwelling units that may occur due to the probable difference between zoning maximum densities and actual built densities, taking into account zoned minimum densities.
- The number of additional dwelling units, if any, that may occur in mixed use zones and other zone changes required in local implementation of the Region 2040 Growth Concept.
- consideration of time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required. If Metro adopts new measures to increase residential densities inside the existing urban growth boundary the number of additional dwelling units resulting from the new measures, and an estimate of the amount of time for local implementation.
- reductions for buildable parcels with full buildout obstacles (e.g., land with 8-24 percent slopes, etc)

- ~~an estimate of~~ The number of dwelling units resulting from probable amount of additional redevelopment of land inside the existing urban growth boundary and infill development on built land including accessory dwelling units.
- The amount of employment accommodated through infill and redevelopment inside the existing urban growth boundary.
- ~~projections of probable infill on built land~~
- ~~evaluation of the amount of farm tax assessment lands within the current UGB that are likely to be urbanized.~~

The application of these variables shall take into account changes to local government comprehensive plans and implementing ordinances that have been made pursuant to the Region 2040 Growth Concept and the Urban Growth Management Functional Plan. The Urban Growth Management Functional Plan, particularly Title 1 "Requirements for Housing and Employment Accommodation," includes measures which increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the period 1997 to 2017.

Metro shall determine the actual density and the actual average mix of housing types of residential development and conduct an analysis of housing need by type and density range consistent with ORS 197.296 (1999). Metro shall conduct an analysis using available data to determine whether local governments are meeting the target capacities set forth in Title 1, Table 1 of the Urban Growth Management Functional Plan.

If Metro determines that the supply of buildable lands is not sufficient to accommodate housing needs for 20 years at the actual developed density since the last periodic review of the urban growth boundary or that the target capacities in Title 1, Table 1 of the Urban Growth Management Functional plan are not being met, Metro shall:

1. Consider additional measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years or will assist local governments in meeting the target capacities in Title 1, Table 1 of the Urban Growth Management Functional Plan; and
2. Adopt any additional measures the Metro Council determines are appropriate to accommodate housing need for 20 years; and
3. Estimate the probable number of additional dwelling units that may occur resulting from the additional measures the Metro Council adopts, if any.
4. If the Metro Council finds that the adoption of additional measures is not sufficient to fully accommodate housing and employment needs for 20 years, the Council shall amend the urban growth boundary to include sufficient lands to accommodate that need consistent with ORS 197.296 (1999) and applicable statewide land use goals.

In 1997/2000, as part of completing the review of the regional urban growth boundary required by state law, the Metro Council concluded that lands within the existing urban growth boundary were sufficient to accommodate estimated housing needs to the year capacity for the additional dwelling units needed to accommodate the year 2017. forecasted need was not totally available within the current Urban Growth Boundary. The following tables provides a step-by-step description of that process, assumptions and conclusions about the capacity of the region's Urban Growth Boundary in 1997/2000.

Table 1.1 of the RFP is replaced by Table 1.1 Calculation of Current Urban Growth Boundary Capacity - Housing and Table 1.2 Calculation of Current Urban Growth Boundary Capacity – Employment of this exhibit.

Table 1.2 of the RFP is replaced by Table 1.3 Regional Housing Need by Type and Density Range of this exhibit.

Table 1.1
Calculation of Current Urban Growth Boundary Capacity - Housing

		<u>Net Capacity</u>	<u>Dwelling Unit Demand</u>	
Residential Demand Estimates (in Dwelling Units)				
1998-2017 Capture 70% of 4-County Forecast in Metro UGB			205,200	
Land Supply Estimates -- ACRES (Excludes UGB areas added 12/98 by Ordinance)				
All Gross Vacant Buildable Acres in UGB (with Title 3)	A C R E S	37,600		
Less: Vacant Federal-, State-, County- and City-owned lands		(1,900)		
Less: Acres of Platted Single Family Lots (16,300 Lots)		(2,900)		
Less: Acres for Streets		(5,400)		
Less: Acres for Schools		(1,100)		
Less: Acres for Parks		(3,700)		
Less: Acres for Churches & Social Organizations		(700)		
Net Vacant Buildable Acres (NVBA) in UGB without Reserves		21,900		
Residential Supply Estimates (in Dwelling Units)				
Dwelling Unit Capacity at Current Local Zoning (13,200 net acres)	U N I T S	88,600		
Add: Residential Development in Mixed Use Areas (MUC)		4,300		
Add: Units from 2040 Growth Concept Upzone		36,200		
Less: Units Lost to Underbuild (20%)		(25,800)		
Less: Units from Ramp-Up (1 year)		(1,300)		
Add: Units from Residential Refill (28.5%)		58,500		
Add: Minimal Development Capacity on Title 3 Land		800	(change from 3,200)	
Add: Units from Accessory Dwelling Units		7,500	(verified - no change)	
Add: Number of Dwelling Units from Single Family Platted Lots		16,300		
			↓	
		Dwelling Unit Loss/Gain	Supply	Demand
Dwelling Unit Capacity before 12/98 UGB Amendments:			185,100	205,200
Add: Dwelling Capacity gained with 12/98 UGB Amendments			18,100	
Dwelling Capacity with 12/98 UGB Amendments:			<u>203,200</u>	
UGB Adjustments to 2000 UGR Update:				
Dwelling Capacity with 12/99 UGB Amendments				
Add: Dammasch Master Plan (part of UR 41)	1,300			
Add: SW Wilsonville (UR 39, school site)	0			
Add: Bethany (part of UR.65)	700			
Add: Jenkins - Kim	100			
			2,100	
			<u>205,300</u>	<u>205,200</u>
Surplus Dwelling Need:				100

Table 1.2

Calculation of Current Urban Growth Boundary Capacity - Employment

DEMAND

Non-Residential (Employment/Jobs) Demand Estimates (in net acres):

8,364

1998-2017 Captured (82 %) Metro Urban Growth Boundary Demand

Forecasted Employment Demand (1998-2017) = 340,600 jobs based on historical development trends.
(Jobs measurement includes full & part time wage & salary positions and self-employed workers.)

Source: land need determined by Zonal Employment Land Demand Analysis Model - ZELDA)

Metro, Data Resource Center (DRC)

DEMAND (net acres)	Clack.	Mult.	Wash.	Total
Industrial	996	1,605	1,486	4,088
Commercial (non-Industrial)	1,085	1,587	1,605	4,276
Total	2,081	3,192	3,091	8,364

SUPPLY - Long Run Inventory Capacity Estimate

Non-Residential Land Supply Estimates (in net acres):

source: 1998 Vacant Land Study, Metro DRC

	Clack.	Mult.	Wash.	Total
Commercial - Central City	13	62	61	136
Commercial - General	138	164	331	633
Commercial - Neighborhood	4	41	32	77
Commercial - Office	79	35	220	334
Industrial - Heavy	129	2,524	740	3,393
Industrial - Light	239	715	1,884	2,838
Industrial / Commercial Mix	372	389	69	830
Town Center Mixed Use	1	143	75	219
Regional Center Mixed Use	3	36	193	232
Central City Mixed Use	0	0	0	0

SUPPLY (net acres)	Clack.	Mult.	Wash.	Total
Industrial	740	3,628	2,693	7,061
Commercial	234	302	644	1,180
Mixed Use	4	179	268	450
Total	978	4,109	3,605	8,691

Net Vacant Buildable Employment Land (*before UGB Amendments*): 8,691

less: Residential Development/Utilization in Mixed Use Areas (202)

(source: ZELDA analysis to avoid mixed use "double-counting")

Capacity without 12/98 UGB Amendments: 8,489

add: Employment land from UGB amendments (Productivity Analysis) 145

Non-Residential Land Supply Estimates (in net acres):

8,634

Industrial 7,063 net acres

Commercial (non-Industrial) 1,571 net acres

8,634

Less: Projected Land Demand Estimate to Year 2017

8,364

Composite Employment Land Need: Surplus Capacity (net acres):

271

less: Placeholder - Title 3 and 200 foot buffer (in net acres) (964)

Employment Land Need: Deficit Capacity (net acres):

(694)

Exhibit "B" of Ordinance No. 00-871A

Table 1.3
Regional Housing Need by Type and Density Range

Monthly Rental Cost	Approximate Equivalent Ownership Price	(Original 1997 UGR)	(REVISED 1999 UGR Update)	Detached Housing		Attached Housing			
				Detached Single Family & Manufactured Homes on Individual Lots	Detached Small Lot Single Family & Mobile and Manufactured Housing in Parks	Attached Single Family & Rowhouses	Multi-Family Low Rise	Multi-Family Mid Rise	Multi-Family High Rise
\$ 0 – 299	\$ under 50,000	2,381	1,956	N/A	N/A	N/A	A,R	A,R	A,R
300 – 399	50,000 – 59,999	10,340	8,494	N/A	N/A	N/A	A,R	A,R	A,R
400 – 499	60,000 – 74,999	25,859	21,242	N/A	N/A	A,R	A,R	A,R	A,R
500 – 599	75,000 – 89,999	32,993	27,102	O	O	A,R	A,O,R	A,O,R	A,O,R
600 – 749	90,000 – 114,999	38,823	31,891	O	O	O,R	O,R	O,R	O,R
750 – 999	115,000 – 149,999	51,823	42,570	O	O	O,R	O,R	O,R	O,R
1,000 – 1,165	150,000 – 174,999	39,082	32,104	O	O	O,R	O,R	O,R	O,R
1,166 – 1,330	175,000 – 199,999	12,693	10,427	O	O	O,R	O,R	O,R	O,R
over 1,330	over 200,000	35,806	29,413	O	O	O,R	O,R	O,R	O,R
Total Units:		249,800	205,200						

"O" means that the new housing is expected to be primarily owner occupied;
 "R" means that the housing is expected to be primarily renter occupied;
 "A" means assisted housing.

Source: Housing Needs Analysis – Final Draft, December 18, 1997, p. 80

**Exhibit "C" of
Ordinance No. 00-871A**

Amends Metro Code 3.01.020(b)(1):

- (A) The district shall develop 20-year Regional Forecasts of Population and Employment, which shall include a forecast of net developable land need, providing for ~~review and comment by~~ coordination with cities, counties, special districts and other interested parties, ~~and review and comment by the public.~~ After deliberation upon all relevant facts the district shall adopt a forecast. This forecast shall be completed at least every five years or at the time of periodic review, whichever is sooner. Concurrent with the adoption of the district's ~~growth forecast~~ 20 – year Regional Forecast, the district shall complete an inventory of net developable land calculating the supply of buildable land within the urban growth boundary by applying the variables set forth in Chapter 1 of the Regional Framework Plan. ~~The district shall provide ing the opportunity for review and comment by all cities and counties in the district, and by the public.~~
- (i) In calculating the supply of buildable lands in the urban growth boundary, the district shall estimate the effect, based on the best information available, of changes to zoned capacity that have been adopted and implemented by local governments to comply with the Region 2040 Growth Concept and all titles the Urban Growth Management Functional Plan.
- (ii) The district shall estimate the number of gross vacant buildable acres within the urban growth boundary.
- (iii) The district shall estimate the number of net vacant buildable acres within the urban growth boundary from the gross vacant buildable acres. The number of acres estimated to be unavailable for housing development shall be subtracted to estimate the net acres, including, but not limited to:
- (I) Lands in environmentally sensitive areas and lands with slopes equal to or exceeding 25 percent, provided those lands are zoned so as to be unavailable for housing development.
- (II) Lands for streets, schools, parks, churches and social organizations.
- (III) Vacant legally buildable lots zoned for single family residential use.
- (iv) The district shall estimate the number of net vacant buildable acres that are available for residential use based on current local government zoning designations. The district shall also estimate the number of dwelling units that these residentially zoned lands can accommodate under existing zoning designations.

- (v) The district shall reduce the estimated number of dwelling units that can be accommodated on vacant residential lands to account for the following:
 - (I) The number of dwelling units estimated to be lost when property owners do not develop to maximum residential densities, taking into account zoned minimum densities; and
 - (II) If Metro adopts additional measures to increase residential densities inside the existing urban growth boundary, the number of additional dwelling units estimated to be accommodated as the result of the new measures.
- (vi) The district shall increase the estimated number of dwelling units that may be accommodated on vacant residential lands due to changes in zoning or development patterns, including but not limited to, the following:
 - (I) Local adoption of mixed use zoning designations;
 - (II) Local adoption of increased residential densities to meet Region 2040 Growth Concept and Title 1 of the Urban Growth Management Functional Plan;
 - (III) The estimated number of dwelling units that may be accommodated as a result of redevelopment and infill development and accessory dwelling units;
 - (IV) The estimated number of dwelling units allowed on legally buildable lots in environmentally constrained areas;
 - (V) Development on vacant and legally buildable lots zoned for single family at a rate of one dwelling unit per lot.
- (B) The forecast and inventory, along with all other appropriate data shall be considered by the district in determining the need for urban net developable land. Appropriate data includes, but is not limited to, estimates of the actual density and the actual average mix of housing types of residential development that have occurred within the urban growth boundary since the last periodic review of the urban growth boundary or last five years, whichever is greater. The results of the inventory and forecast shall be compared, and if the net developable land equals or is larger than the need forecast, then the district council shall hold a public hearing, providing the opportunity for comment. The council may conclude that there is no need to move the UGB and set the date of the next five-year review or may direct staff to address any issues or facts which are raised at the public hearing.

- (C) If the inventory of net developable land is ~~less than the need forecast~~, insufficient to accommodate the housing need identified in the 20-year Regional Forecast at the actual developed density that has occurred since the last periodic review of the urban growth boundary, the district shall:
- (i) Conduct a further analysis of the inventory of net developable land to determine whether the identified need can reasonably be met within the urban growth boundary including a consideration of whether any significant surplus of developable land in one or more land use categories could be suitable to address the unmet forecasted need;
 - (ii) Estimate city and county progress toward meeting the target capacities for dwelling units and employment set forth in Title 1 of the Urban Growth Management Functional Plan (Metro Code, Table 3.07-1);
 - (iii) Consider amendments to the Urban Growth Management Functional Plan that would increase the number of dwelling units that can be accommodated on residential and mixed-use land within the urban growth boundary;
 - (iv) Adopt amendments to the Urban Growth Management Functional Plan that the Metro Council determines are appropriate;
 - (v) Estimate whether the increased number of dwelling units accommodated within the urban growth boundary due to amendments to the Urban Growth Management Functional Plan will provide a sufficient number of dwelling units to satisfy the forecasted need.
 - (vi) The Metro Council shall hold a public hearing prior to its determination of whether any estimated deficit of net developable land is sufficient to justify and analysis of the locations for a legislative amendment of the UGB.

Amend definition of net developable lands:

- (o) “Net developable vacant land” means the ~~amount of land remaining when gross developable vacant land is reduced by the amount of the estimated land needed for the provision of additional roads, schools, parks, private utilities and other public facilities~~ number of acres that are available for all types of development after the total number of developable acres within the UGB is reduced by the amount of land for the provision of roads, schools, parks, private utilities, churches, social organizations, legally buildable single family lots, and other public facilities.

**Exhibit “D” of
Ordinance No. 00-871A**

FINDINGS AND CONCLUSIONS

On April 13, 2000, the Metro Council adopted Resolution No. 00-2934 requesting that the Land Conservation and Development Commission (“LCDC”) initiate Periodic Review of the Metro urban growth boundary (“UGB”). On May 25, 2000, the Metro Council adopted Resolution No. 00-2952A adopting an evaluation of the regional UGB and a Periodic Review work program that was transmitted to LCDC for approval. LCDC at its July 28, 2000 meeting voted to approve Metro’s Periodic Review work program. Metro received LCDC’s final order of approval on September 20, 2000.

Task 1 of the approved Periodic Review work program includes six subtasks. Ordinance No. 00-871A responds to Subtasks 1 and 2. Subtasks 3 through 6 were made part of the work program in order to comply with Goal 14 in the event that Metro determined under Subtask 2 that there was a need for housing for the period 1997-2017. As explained in the analysis below, the Council finds that there is sufficient land to accommodate housing needs for the 20 year period from 1997-2017. Consequently, the Council finds no basis upon which to adopt UGB amendments as part of Task 1. Therefore, it is unnecessary to complete Subtasks 3-6 at this time. However, Metro has undertaken the extensive work on the Alternatives Analysis, study of exception lands and UGB map inconsistencies which will provide the factual basis for any needed regional or subregional UGB amendments that may be identified during Task 2 of Periodic Review.

SUBTASK 1

A.1. Coordination with local governments.

Metro has coordinated extensively with its local partners in the region. The regional need for housing and the data that supports this ordinance were reviewed by the Metro Technical Advisory Committee (“MTAC”) which made a recommendation to the Metro Policy Advisory Committee (“MPAC”) that the basis for Metro’s conclusions on regional housing need are sound. MPAC, by a nearly unanimous vote, adopted MTAC’s recommendation as its own supporting the conclusion that the region currently contains an approximately 100 dwelling unit surplus of housing.¹ This consultation and review by MTAC and MPAC demonstrates coordination consistent with Goal 2 and the Metro Charter.

In August, 2000, Metro sent letters to all 27 local governments in Metro’s jurisdiction soliciting comments and offering to coordinate on housing need. Only one local government, the City of Hillsboro requested Goal 2 coordination. Hillsboro provided Metro with data from its City Housing Need Study which, at DLCD’s prompting, the city prepared to comply with ORS 197.296. At its September 14, 2000, meeting the Metro Council received Hillsboro’s testimony and data. Metro responded by sharing information and identifying when Hillsboro’s request could be addressed during Periodic Review.

¹ MPAC recommendation, October 5, 2000.

Councilor Rod Park attended the Hillsboro City Council meeting on September 19, 2000 to further discuss the city's request for more land for housing. Metro's Growth Management Director, Andy Cotugno sent a letter to DLCD reminding the department that within Metro's jurisdiction, consistent with Metro's responsibility to manage the regional UGB, Metro is the local government that has the duty to identify housing need and provide land to accommodate housing needs for 20 years under ORS 197.296. In a October 3, 2000 letter to Mayor Gordon Faber, Presiding Officer David Bragdon again exchanged information and explained that Hillsboro's request could be accommodated during Task 2 of Periodic Review. During Task 2, Metro is scheduled to consider subregional need for housing. Councilor Bragdon stated that Metro will accommodate Hillsboro's request in Task 2 by considering all options available under state law to address Hillsboro's request at that time.²

A.2. Citizen and stakeholder input.

Metro's Regional Urban Growth Goals and Objectives ("RUGGO") require Metro to provide public notice and provide a high level of awareness of the consequences of proposed legislative actions. The Metro Code also requires public notice and the opportunity for testimony for legislative reviews of the UGB. In June and July, 2000 Metro staff completed work necessary for the Council to determine whether additional lands were needed to accommodate housing in the regional for the period 1997-2017. This and other data were compiled into the "1997-2017 Land Need" report. The report was presented at public hearings before the Metro Growth Management Committee in July, 2000. Public notice was provided for that hearing.

Metro Code 3.01.015 sets forth the procedural requirements for legislative amendments of the UGB. Even though the "1997-2017 Land Need" report concluded that Goal 14 need to amend the UGB does not exist at this time, Metro provided a precautionary 45 day notice to DLCD in compliance with Metro Code 3.01.050. However, because Ordinance No. 00-871A does not include a UGB amendment, Metro did not publish a 45 day newspaper notice as required by Metro Code 3.01.050(b). For the hearings before the Council, Metro followed the Metro Code requirements for notice of legislative matters by publishing newspaper notice about seven days before each of the public hearings in which the Council considered this ordinance. The first of those hearings was held on September 14, 2000 in Hillsboro. Subsequent hearings were held on September 21, and October 12, 19 and 26.

SUBTASK 2

A. Document that inside the UGB that the Metro Functional Plan requirements support the development of a compact regional urban form and determine the extent to which local governments are complying with these requirements based on local compliance reports.

The Region 2040 Growth Concept sets forth the objectives for maintaining a compact urban form for the lands within the Metro UGB. The RUGGOs, of which the Growth Concept is a part, have been acknowledged by LCDC. The Metro Urban Growth Management Functional

² October 3, 2000 letter from Councilor Bragdon to Mayor Gordon Faber.

Plan (“UGMFP”) was adopted in November, 1996, to implement the 2040 Growth Concept.³ Consistent with state law, the UGMFP contains recommendations and requirements for local governments to amend their comprehensive plans to maintain a compact urban form. ORS 286.390(4). Local government implementation of UGMFP requirements constitute measures under ORS 197.296(4) which support the development of the compact urban form set forth in the 2040 Growth Concept. These measures include requirements for comprehensive plan amendments, as necessary, to focus intensive urban development in regional centers and town centers, allow mixed residential and commercial zoning and minimum residential densities.

The measures that contribute most to achieving compact urban form are identified in a June 15, 2000 Growth Management staff report.⁴ These measures include requirements for housing and employment accommodation, adopting 2040 planning design types for mixed use area planning, minimum residential densities, lot partitioning, accessory dwelling units, parking policies and standards. The staff report provides data that demonstrates that the majority of cities and counties have adopted these new measures that support the urban form according to the 2040 Growth Concept and UGMFP. The Council adopts and incorporates the findings and conclusions of the June 15, 2000 staff report into these findings by this reference.

The Council also finds that the local government compliance report data summarized in the June 15, 2000 staff report is persuasive evidence that demonstrates that residential densities will occur at levels sufficient to accommodate housing needs for the 20 year period from 1997-2017. This conclusion is based on the local compliance report data discuss more fully in the findings for Section A.2.C “Reconcile Urban Growth Report with Metro Functional Table 1 and Metro Code” of these findings.

B. Verify regional need for dwelling units and jobs.

Exhibit “A” of this ordinance demonstrates compliance with this Periodic Review Subtask. In Exhibit “A,” the Council compares the 20 year regional demand for housing with the supply of net developable residential land using data from the “1997-2017 Land Need” report. This comparison applies ORS 197.296. For the reasons explained more fully below, the Council finds the data in the “1997-2017 Land Need” report to be the most reliable evidence for determining the regional need for housing to the year 2017. Findings for this section demonstrate compliance with Metro’s Regional Framework Plan, state law and Statewide Planning Goal 14. Based on the calculations in Exhibit “A,” and as described in Table 1.1 of Exhibit “B,” the Council finds that the UGB contains a 100 dwelling unit surplus of land to accommodate housing for the period 1997-2017.

Regional Framework Plan

The 1997 Regional Framework Plan (“RFP”) sets forth nine variables that Metro must consider when determining regional housing need.⁵ Metro’s 1997 Urban Growth Report

³ Ordinance No. 96-647C.

⁴ Memorandum, June 15, 2000 from Mary Weber to Andy Cotugno, Re: “Discussion that Metro Requirements Support a Compact Urban Form – Periodic Review Work Program Task 1, Subtask 2(a).”

⁵ Ordinance No. 97-715B. RFP, p. 41.

("UGR") applies these variables as have all subsequent updates of the UGR. The UGR analyzed 1994 data which the Council found was the best available data at the time. Metro's application of the nine RFP variables in the UGR Update and "1997-2017 Land Need" report which include data to 1998, is designed to meet the statutory requirements of ORS 197.296(2) and (3)(a).

Applying the nine RFP variables in 1997, the Council found that land to support approximately 32,370 dwelling units was needed to accommodate housing needs to the year 2017. Based on that conclusion, the Council adopted UGB amendments that added land to serve approximately 18,100 dwelling units.⁶ The amendments were subject to post-acknowledgment review by the Department of Land Conservation and Development ("DLCD"). The majority of the UGB amendments were unappealed and, therefore, are deemed acknowledged by LCDC. In a subsequent letter from Director Richard Benner, the department concluded that Metro's determination of need and 1998 UGB amendments satisfied the requirements of state law.⁷ In 1998, the Council adopted several resolutions indicating Council intent to amend the UGB in certain areas after those locations were annexed to Metro's jurisdictional boundary. In 1999, the Council adopted several UGB amendments which completed the process initiated with those resolutions. These UGB amendments were adopted to satisfy about 2,100 dwelling units of the regional need for housing identified in the RFP and 1997 UGR. Based on DLCD and LCDC's implicit approval of the variables set forth the RFP and Metro's application of those criteria, the Council concludes that the criteria and methodology applying the criteria in the UGR and Exhibit "A" of this ordinance constitute the best available procedure to determine the amount of land needed to accommodate housing for 20 years on a regionwide basis.

In 1999, Metro began compiling data that would be the basis for additional UGB amendments to satisfy the remaining portion of the 32,370 dwelling unit need for housing. Once again, Metro applied the nine RFP variables to the best data available in 1999. Those calculations are summarized in the 1997 UGR Update ("UGR Update").⁸ The UGR Update is based on data for years up to 1998 which was the best available data at the time. The new data caused refinements in many of the resulting estimates required by the nine variables in the RFP.⁹ The UGR Update received extensive review by the public, MTAC, MPAC, and a peer review panel.¹⁰ The peer review panel consisted of experts in the fields of economics and planning. The participants on the panel offered comments and recommendations primarily for future refinements of an already sound approach to calculating housing need. In contrast to the peer review panel, a study funded by the Westside Economic Alliance and submitted by Randy Pozdena was more critical of the data and calculations in the UGR Update. The Growth Management staff provided a point-by-point response to the Pozdena report.¹¹ The staff response persuades the Council that the critique provided by Pozdena represent differences in opinion as to whether market conditions may be considered in estimating the supply and demand for housing under state law. However, the Council finds that state law does not require local governments to consider market factors in providing a 20 year supply of land for housing. In

⁶ Memorandum, June 9, 2000 from Mary Weber and Lydia Neill to Andy Cotugno.

⁷ December 22, 1998, letter from Richard Benner to Mike Burton.

⁸ The 1997 UGR Update was completed in September, 1999.

⁹ The differences between the 1997 UGR and UGR Update are summarized at pp. 2-3 and 66-67 of the UGR Update.

¹⁰ Peer Review Report, Reviewing 1997 Urban Growth Report Update, September 21, 1999.

¹¹ Memorandum, September 20, 1999, Elaine Wilkerson and Mark Turpel to Mike Burton and the Metro Council.

fact, in previous reviews of the UGB before LCDC, the commission has rejected the use of a market factor to justify a larger urban area. The Council concludes that the Pozdena report does not provide evidence or argument that refutes the methodology or calculations in the UGR Update or “1997-2017 Land Need” report.

The UGR assumed that a 200 foot area on both sides of streams would be unbuildable, anticipating future Council adoption of fish and wildlife protection regulations. The Council’s conclusion that about 32,000 dwelling units were needed was premised in part on this assumption.

Although calculations in the UGR Update showed about a 200 dwelling unit surplus for 1997-2017, the report estimated that anticipated Metro regulations implementing the UGMFP Title 3, Section 5 Fish and Wildlife Habitat Conservation could create the need for up to 15,000 additional dwelling units. Not knowing the extent of any final fish and wildlife regulations had the potential to significantly reduce the Council’s 32,370 estimated dwelling unit need. For this reason, the Council requested a limited extension from LCDC consistent with ORS 197.299(3) to consider any additional UGB amendments pursuant to ORS 197.299(2)(b). LCDC granted the extension to October 31, 2000, and required Metro complete any additional work on environmentally sensitive lands, jobs/housing imbalances, and estimates for accessory dwelling units.¹²

Metro has not yet adopted regional regulations for Fish and Wildlife Habitat Conservation pursuant to Title 3, Section 5. For this reason, Metro confirms its estimate of environmentally sensitive land in the UGR Update as those lands subject to adopted Title 3 regulations. During the extension period, Metro refined estimates of the number of dwelling units that could develop within Title 3 regulated areas. The UGR Update initially estimated the capacity of Title 3 regulated areas at approximately 3,200 units. The refined analysis in the “1997-2017 Land Need” report reduced this estimate to about 800 dwelling units after identifying the approximate number of legally buildable lots completely inside Title 3 regulated areas that Title 3 allows to be developed with at least one single family residence.¹³ The Council finds that the 800 dwelling unit estimate is the most reliable data estimate because local implementation of Title 3 is relatively recent and data showing the levels of residential development in Title 3 regulated areas is not yet available.

Metro did not undertake further jobs/housing imbalance research during Task 1 because the Periodic Review work program, which was approved by LCDC after the January 3, 2000 extension order, identifies Task 2 as the appropriate time to review such imbalances as part of Subtask 8. The Council finds that a review of jobs/housing imbalances is properly delayed until Task 2.

To comply with LCDC’s direction to review accessory dwelling units, Metro conducted new research to test the estimate of accessory dwelling units in the UGR Update. There is very little building permit data on the rate of accessory dwelling unit creation in existing neighborhoods. Many local jurisdictions do not track accessory dwelling units and when they do

¹² LCDC Order No. 2000- ACK-022, January 3, 2000.

¹³ UGMFP, Title 3 – Metro Code 3.07.340(B)(3). See also, July 6, 2000 memorandum, Re: “Projected Development Capacity in Title 3 regulated areas.”

there is no uniform method of accounting for such units. Testimony from the Home Builders Association of Metropolitan Portland (“Home Builders”) suggests that the assumed rate of accessory dwelling units be based on the number of verifiable building permits issues specifically for accessory dwellings in 1999. The Council rejects this approach because the permit data may not accurately reflect the true number of accessory dwelling units permitted, and because a single year’s worth of data does not demonstrate a meaningful trend that assists the Council in estimating the development of accessory dwelling units over a 20 year period. The more persuasive evidence of long term estimates of accessory dwelling unit production is identified the “1997-2017 Land Need” report. That estimate relies on information on national trends which indicate that with zoning codes that permit accessory dwellings, such as those of all the 27 local governments in Metro’s jurisdiction, that one accessory dwelling unit per 1,000 single family homes is a reasonable long range estimate.¹⁴ This estimate is consistent with the compact urban form policies in the 2040 Growth Concept. The Council finds that at this rate, the UGB can expect to accommodate at least 7,500 accessory dwelling units for the period 1997-2017.

Inventory of Buildable Lands

State law requires Metro to “inventory the supply of buildable lands within the urban growth boundary.” ORS 197.296(3)(a). Exhibit “A” of this ordinance explains how Metro calculated the supply of buildable lands for the period 1997-2017. Exhibit “A” relies on data from the UGR, UGR Update, and data in the “1997-2017 Land Need” report. The Council adopts Exhibit “A” as Metro’s statement of the current regional inventory of buildable lands for the purposes of complying with ORS 197.296(3)(a).

Although state law does not prescribe a method for conducting the inventory of buildable lands, several participants in the public review of the UGR Update and “1997-2017 Land Need” report have disagreed with the method Metro has used to calculate the inventory.

State law required Metro to begin its analysis of the supply of buildable land in 1997. ORS 197.299(1). That state requirement sets the 20 year period for which Metro is required to complete its initial review of housing capacity in the UGB. That period is 1997-2017. That the Council is completing the requirements of state law in 2000, as permitted by ORS 197.299 and LCDC order, does not change that planning period. The Home Builders provided comments critical of the way in which Metro has made the estimates required by the RFP. Home Builders have asserted that Metro’s UGR Update and “1997-2017 Land Need” report update the supply of buildable land in the UGB without updating the demand calculations. Home Builders provide no evidence that supports their claim. Metro’s demand calculations are based on the 2015 Regional Forecast which contains data that predicts the region’s demand for housing through 2020. The Regional Forecast is an econometric model that accounts for international, national, and regional growth trends. The model has predicted population growth accurately to within a margin of about .05 percent for at least the past five years. The Council finds that the Regional Forecast’s incredible record of predicting actual population growth is persuasive evidence that the econometric model assumptions are accurate. The data presented in

¹⁴ Metro Code 3.07.120(C) – “Cities and counties shall not prohibit the construction of at least one accessory unit within any detached single family unit” for residential zones inside the UGB.

the “1997-2017 Land Need” report relies on the Regional Forecast data through 2017. That population information representing the demand for housing in the region is entirely consistent with Metro’s estimates of inventory of the supply of buildable lands for the period 1997-2017.

Home Builders claim that Metro has miscounted the housing capacity attributable to partially vacant lands because the analysis is not the same as that used to estimate the productivity of urban reserves. The Council finds that estimating the 20 year supply of land inside a UGB is substantially different from estimating the number of dwelling units that might be accommodated in an urban reserve area 30 –50 years in the future. For urban reserves, local governments are required to generally determine that designated urban reserves can satisfy the 30 – 50 year need for land that the reserves are intended to serve. In contrast, Goal 14 requires that urban land be considered available for housing and other urban uses over the 20 year planning period covered by local comprehensive plans. Moreover, state law does not mandate that the potential for land inside a UGB to supply housing be calculated in the same manner that productivity of urban reserves are calculated.

The Home Builders err in including the Franciscan Retreat and the Grotto in their arguments. The UGR is a regional accounting of buildable lands. The UGR explicitly deducts all amount of church owned vacant land. A portion of the Franciscan Retreat and Grotto is identified as partly vacant in the RLIS database, but its capacity has been previously deducted by the UGR in a gross-to-net deduction step. About 18 acres of the Lewis and Clark campus is designated as partly vacant land. About nine acres of this is upland steep slopes and another six acres is environmentally constrained.

Contrary to the Home Builders’ assertion, there is evidence in the record that considers the environmental restrictions of local jurisdictions. The “1997-2017 Land Need” report verifies that locally zoned environmental restrictions like Portland e-zones yield no statistical difference in housing capacity than Metro’s estimate of lands regulated by Title 3 of the UGMFP.

The method by which Metro estimated how much land may be needed for future schools was also criticized by the Home Builders. They argue that Metro estimates too little land for schools, forcing “big box” schools on less land. Although Home Builders fail to provide evidence establishing a different level of needed land for schools, they claim that schools need much more land than Metro estimates leading to “hundreds of acres of additional land need.” Metro has estimated the current ratio of elementary, middle and high schools students per acre in the UGB. This ratio was combined with an estimate of the student population from the Regional Forecast which produced an estimate of the number of acres needed for future schools.¹⁵ The land needs for higher education are estimate to be largely provided in commercial land use designations. Information on the only new higher education facility in the region is for the University of Phoenix which is housed in a multistory commercial office building. In the absence of any contrary evidence, the Council finds that Metro’s estimates of land needed for future schools is the best available data.

Home Builders make additional critique of Metro’s estimate of the land needed for future parks. Metro’s basis for estimating the land needed for future parks is adequately explained in

¹⁵ UGR Update, p. 26-27.

Exhibit "A" of this ordinance. The Home Builders also allege various statewide planning goal violations related to Metro's estimate of land needed for parks. Those claims are discussed below. Although Home Builders again disagree with Metro's calculation, they supply no evidence to support their theory. In particular, the Council rejects Home Builders' assertion that Metro should not assign housing capacity in existing residentially zoned lands that are listed on local park provider land acquisition plans. There is no evidence in the record that these lands have been purchased and transferred from residential to park use. The Council finds that until those lands are actually transferred to park use, that those residentially zoned lands are more accurately assumed to be available for housing needs.

Metro's estimate of the rate of redevelopment and infill development is challenged by Home Builders. The refill rate is estimated on fairly recent data. Long term historical data on the rate of infill and redevelopment is not available. The recent short term rate based on the Residential Refill Study, based on 1995-96 data is about 25.4 percent. More recent data suggests the ratio has recently increased to about 26.3 percent. The Council has identified 28.5 percent as an aggressive yet reasonable future estimate of the refill rate. The Council finds that even before local implementation of the UGMFP began in early 1999, that the refill rate appeared to be trending upward. The requirements mandated in Title 1 of the UGMFP that local governments increase their zoned capacity for residential land are currently being met and create the opportunity for a higher rate of refill than historical data can account for. Minimum residential densities, lot partitioning for lots twice the minimum lot size and opportunities for higher residential densities in 2040 regional and town centers provide the basis for market forces that the Council finds are a reasonable basis to assume a 28.5 percent refill rate which is about 2-3 percent more optimistic than historical estimates. Therefore, the Council finds that there is an adequate factual basis supporting a 28.5 percent refill rate.

Home Builders claim that Metro's estimate of the amount of the four county region's growth that is captured in the Metro UGB is too low. Home Builders assert that Metro should use data just from the period 1994-1998 which indicates that about 75 percent of the population growth the four county region is settling in the Metro UGB. Home Builders provide an opinion by consultant Jerry Johnson, using Metro data that purports to show about a 73 percent capture rate.

In contrast to information on redevelopment and infill, available data on the "capture rate" exists in census data that provides a longer term 20 years of data. This data demonstrates that a 70 percent capture rate for the Metro UGB is reasonable estimate. Home Builders own analysis finds that Clark County receives about 27 percent of the regional population growth. The permit data in Metro's RLIS system for housing development outside the UGB indicates that about 4 percent of development permits for housing were issued outside the UGB in neighboring cities within the four county region. Even if the Council were to accept Mr. Johnson's assumptions, it appears that the resulting capture rate would be about 69 percent. For these reasons, the Council finds that Home Builders evidence is not inconsistent with the way that Metro has estimate the capture rate and does not demonstrate an error in Metro's methodology. The Council concludes that a 70 percent estimate of the capture rate is the most accurate available at this time.

Home Builders assert that Metro's buildable land inventory is flawed because it does not eliminate lands that are not suitable and available for housing consistent with the Goal 10 administrative rule. The Council finds that the estimated reductions to the regional supply of gross vacant buildable acres identified in Exhibit "A" of this ordinance eliminates about 15,700 acres of land that is not "suitable and available" for housing use. Home Builders further assert that according to Goal 10, Metro should not account for the housing capacity added to the region by the UGB amendments adopted in 1998 and 1999 like that in the Pleasant Valley area near Gresham. The Home Builders claim that since this land does not currently have all public facilities it should not be considered available for housing over the 20 year planning period established by ORS 197.296(2). The Council rejects this approach. Failure to consider the urbanizable land in new UGB amendment areas, like Pleasant Valley, as available for urban development is contrary to Goal 14. Moreover, Home Builders method of determining what land should be considered "buildable" would require local governments to undertake additional UGB amendments before new UGB amendment areas are developed with housing that will satisfy the requirement of ORS 197.296(2). This undercuts the purpose of identifying the 20 year need for housing and would likely result in premature expansions of the UGB which would violate Goal 14.

1000 Friends argues that Metro should allocate a larger estimate of housing and employment capacity to churches, social organizations and lands that contain certain public facilities because those institutions have the potential to provide some level of both housing and employment. 1000 Friends did not submit evidence that provides examples of locations where housing is provided on church and social organization land. Until such data becomes available, the Council assumes that land owned by churches and social institutions is being used to serve the participants for religious and social functions. Similarly, the Council finds that public facilities including homeless shelters are likely to provide only temporary housing for their clients. The Council will review additional data on the capacity of these lands, if it becomes available, in future legislative reviews of the UGB.

Actual Density and Mix of Housing Types

State law requires local governments to "[d]etermine the actual density and the actual average mix of housing types of residential development that have occurred within the UGB since the last Periodic Review or five years, whichever is greater." ORS 197.296(3)(b). Based on the information in the July 3 staff memorandum, the approximate total number of new housing units produced from 1992-1998 is 63,085. At an average net density of 9.1 units per acre, approximately 6,930 net acres were consumed for housing from 1992-1998. That results in rate of consumption of about 1,150 net acres per year. The current supply of net developable residential land in the UGB is approximately 13,200 acres. If housing development were to occur at the average density and average mix, consuming about 1,150 net acres per year, the current supply of buildable land will last about 11.5 years. The Council finds that without the new measures local governments have been required to take pursuant to the UGMFP, the existing supply of buildable land is not sufficient to accommodate housing needs for 20 years.

ORS 197.296(4) offers local governments three options for addressing an identified shortfall of buildable land for housing for the 20 year period. Local governments may adopt

UGB amendments to provide sufficient land for the identified housing need, adopt measures that demonstrably increase the likelihood that densities can accommodate housing need for 20 years or adopt a combination of the two. ORS 197.296(4)(c). The Council has complied with state law by both adopting UGB amendments in 1998 and 1999 and requiring local governments to adopt measures implementing the UGMFP that have demonstrably increased the likelihood that housing needs can be accommodated for 20 years. Those measures are having a demonstrable impact on the capacity of existing residential lands to accommodate additional dwelling units for the next 20 years.

As part of Subtask 2a, Metro demonstrated that a majority of local governments have adopted most of the Title 1 requirements to increase housing in their jurisdictions. For some of the local governments that made requests, the Council has granted extensions to complete UGMFP compliance. Most of those extensions expire at the end of 2000. The June 15, 2000 staff report which shows compliance with Subtask 2a states that local governments have adopted minimum densities, allow partitioning of lots that are twice the size of minimum lot size, and are permitting accessory dwelling units. Although the full impact of these new measures may not be realized, compliance reporting has demonstrated that the measures are having a demonstrable increase on residential densities.

Exhibit "B" of the June 30, 2000 staff report provides a table that shows compliance with Periodic Review Subtask 2c and demonstrates that local governments are meeting or exceeding their UGMFP Title 1, Table 1 target capacities.¹⁶ The exhibit shows the 1996 UGMFP Title 1, Table 1 targets which were based on 1994 data. Then targets are adjusted to account for reported development permit activity for the four years from 1995-1998. This renders an estimated Title 1, Table 1 target for each jurisdiction for the period 1998-2017. The exhibit then compares the estimated targets to local government compliance report data and checks the local government report data against a Metro estimate of the range of dwelling units that can be expected for the period 1997-2017. The table demonstrates that 20 of the 27 local governments in Metro's jurisdiction are meeting or exceeding the adjusted UGMFP Title 1, Table 1 targets for the period 1998-2017. Moreover, all 27 local governments are within the range of dwelling unit target capacities that Metro estimated for the region to 2017. The middle range of Metro's check of local compliance data estimates that the number of dwelling units that about 186, 000 dwelling units can be accommodated under local zoning that complies with the UGMFP. This is very close to the 185,100 dwelling units that Metro's inventory of buildable lands estimates can be accommodated to the year 2017.¹⁷ Combined with the number of dwelling units estimated to result from the UGB amendments the Council adopted in 1998 and 1999 (20,200 dwelling units), the Council concludes that the Metro UGB will have about a 100 unit surplus to the year 2017. The Council also finds that local compliance report data corroborates Metro's UGB capacity estimates and demonstrates that residential densities will be sufficient to accommodate housing needs to 2017.

¹⁶ Memorandum, June 30, 2000, Mary Weber and Dennis Yee to Andy Cotugno, p.10.

¹⁷ Memorandum, June 30, 2000, Mary Weber and Dennis Yee to Andy Cotugno, p.11.

Housing Need by Type and Density Range

State law requires local governments at Periodic Review or other legislative review of their UGBs “conduct an analysis of housing need by type and density range.” ORS 197.296(3)(c). Table 1.3 of Exhibit “B” of this ordinance shows the regional housing need by type and density range. Table 1.3 provides available information on attached and detached single family housing, government assisted housing, and manufactured homes on single family lots and in parks in compliance with ORS 197.303.¹⁸ The total number of “need” housing units in each category is identified for the period 1997-2017, accounting for the development permits issued for the period 1994-1998.¹⁹

State law requires local governments to respond to the information on type and density range of housing and, if necessary, adopt measures which demonstrably increase the likelihood that residential development will occur at a density and mix to provide needed housing for 20 years. ORS 197.296(5). Metro addresses this requirement in a July 3, 2000 staff report and in the recommendations of the June 22, 2000 “Regional Affordable Housing Strategy.” The staff report concludes that demand for attached (row houses) and detached single family housing is projected to be approximately 86,000 – 113,00 dwelling units to 2017. The projected supply of single family attached and detached housing is estimated at 107,600 dwelling units, well within the projected demand range.²⁰ Similarly, demand for multifamily dwelling units is estimated in the range of 72,000 to 80,000 dwelling units. Supply of multifamily units is estimated at about 96,500 dwelling units for the period ending 2017, which exceeds the demand for this type of housing.

Table 1.1 of Exhibit “B” of this ordinance shows the current estimate of the mix of housing types as reflected in development permit data from the last Periodic Review of the Metro UGB in 1992 to 1998. The mix is approximately 57 percent single family dwelling units, 4 percent Manufactured homes and about 39 percent multifamily dwelling units. The projected demand of the mix for these housing types is shown in Figure 2.3 of the July 3, 2000 staff report. That figure provides two demand estimates; one assumes a high component of row houses, the other assumes a lower component of row houses.²¹ The results of the high row house assumption show an estimated housing mix of about 61 percent single family to 39 percent multifamily dwelling units. The low row house assumption results in a 65 percent single family to 35 percent multifamily mix of housing types.

Based on these estimates, the Council finds that the anticipated supply and mix of attached and detached single family homes, government assisted housing, and manufactured homes on single family lots and in parks is very likely to correspond to the demand for those of housing types and mix of housing types to the year 2017. No additional measures are necessary

¹⁸ Table 1.3 of Exhibit B is an update of Table 1.2 of the 1997 RFP. The explanatory notes in Table 1.2 of the RFP, apply to the same categories of housing types in Table 1.3 of Exhibit B of this ordinance to the extent they are consistent.

¹⁹ The same permit data used in the estimates to comply with Periodic Review Subtask 2c are broken down by type and density range and approximate rental or ownership price.

²⁰ Figure 2.1 of the July 3, 2000 staff report – includes 1999 UGR and 1999 UGB amendment capacity of 106,500 + 1,100 dwelling units.

²¹ Manufactured homes on single family lots and in parks are included in the single family demand estimate.

at this time to comply with the requirements of ORS 197.296(5). However, the findings of the Regional Affordable Housing Strategy suggest that the region may fall short of supplying the need for affordable housing units to the year 2017. Although the private home building market is expected to sufficiently provide for housing types that cost \$115,000 or more, or rent for \$750 a month or more, other strategies will be needed to provide for housing in lower price ranges. The Regional Affordable Housing Strategy makes a number of recommendations for the Council to consider in future ordinances that could increase the supply of affordable housing.²² These recommendations do not include providing additional land through UGB amendments at this time. While the Council may determine in the future that UGB amendments are one of the measures that can increase the supply of affordable housing, the Council concludes that at this time adding additional land to the regional UGB is not needed to provide for the identified deficit of affordable housing units in Metro's jurisdiction.

C. Reconcile Urban Growth Report with Metro Functional Plan Table 1 and Metro Code.

In 1996, when the Council adopted the UGMFP, target capacities for housing, mixed use areas and employment were set for each of the 24 cities and urban portions of three counties in Metro's jurisdiction. Title 1, Table 1 identifies these "targets." The targets were set as goals for each jurisdiction to meet by the year 2017. The targets were not intended to determine the Goal 14 need for housing for the period 1997-2017. However, local adoption of minimum residential densities and other mechanisms for increasing the quantity of dwelling units in the region pursuant to Title 1, represent measures that increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs to 2017.

As explained above, the RFP provides the nine variables that Metro applies to determine the current need for land for housing at Periodic Review or any other legislative review of the UGB. The application of the nine variables in the RFP and calculations in the UGR and the UGR Update provide data that not only establishes Goal 14 need, but also indicates regional progress toward achieving the targets in Title 1, Table 1. Periodic Review Subtask 2c "reconciles" the RFP and Title 1, Table 1 by charting local government compliance report data (compliance with Table 1) against the estimated need for land housing in the UGR Update and "1997-2017 Land Need" report. This analysis is contained in a June 30, 2000 staff report to Growth Management Director, Andy Cotugno.²³ The Council adopts the findings and conclusions of the staff report here by this reference.

STATEWIDE PLANNING GOALS

Both Periodic Review requirements and ORS 197.296(6) require a demonstration that a UGB decision comply with applicable statewide planning goals. Compliance with Goals 1 and 2 is demonstrated in Metro's compliance with Periodic Review Subtask 1 discussed above.

²² Report, June 22, 2000, "Regional Affordable Housing Strategy: Recommendation of the Affordable Housing Technical Advisory Committee accepted by the Metro Council, p.67-76.

²³ Memorandum, from Mary Weber and Dennis Yee to Andy Cotugno, Re: "Urban Growth Management Functional Plan Capacity Targets and the 2000 Urban Growth Report Update – Periodic Review Work Program, Task 1, Subtask 2c."

Compliance with Goal 14 is demonstrated below. Participants in hearings before the Council raised concerns about compliance with Goal 9, and in relation to how Metro estimates the amount of land needed for future parks in the inventory of buildable land, Goal 8, 11 and 12.

Goal 14

Goal 14, Factor 1 requires that need for housing be supported by “[d]emonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals.” This is a determination that must be demonstrated at the time of a UGB amendment. To comply with Goal 14 local governments must use the best available data to determine need for housing. *1000 Friends of Oregon v. City of North Plains*, 27 Or LUBA 372 (1994), *aff’d* 130 Or.App. 406, 882 P.2d 1130 (1994). The requirements of Goal 14, Factor 1 are consistent with ORS 197.296 and ORS 197.299 which direct local governments to inventory buildable land as part of determining need. Goal 14 predates those statutes, but the requirements of ORS 197.296 are properly viewed as complementary to Goal 14 to the extent that the statute provides guidance on how to estimate Factor 1 housing need. Nothing in state law indicates that local governments are relieved of the duty to use the best available data and to comply with Goal 14 when completing the requirements of ORS 197.296 and 299. Furthermore, nothing in the text of the statutes shows that ORS 197.296 and 299 were intended to supercede the requirements of Goal 14.

Metro’s Data Resource Center collects data on a wide range of economic, demographic, housing and transportation topics. On an annual basis, Metro receives development permit data from local governments which is combined with data from yearly aerial photo surveys of the region to track the regional consumption of land for all manner of urban uses. The information is cataloged in Metro’s Regional Land Information System (“RLIS”), and is available to the public as well as to Metro departments to aid in their various functions. The Council finds that the data contained in RLIS is the most reliable source of information for determining the amount of land that is available for housing development in the Metro region. Because the RLIS data is readily available, Metro must consider the impact of that data within the context of complying with this Periodic Review work task to comply with Goal 14.

Goal 9

Two parties have asserted that Metro has not considered issues related to Goal 9. The Council considers jobs and employment opportunities to be an important regional issue. However, completing analysis and taking action to address employment needs is not part of Periodic Review Work Task 1. Table 1.2 of Exhibit “B” provides an estimate of employment needs to 2017. Exhibit “B” represents a synthesis of data in the “1997-2017 Land Need” report. Periodic Review Work Task 2 requires Metro to evaluate employment needs for the region and amend the UGB to accommodate those needs if necessary. The Council finds that the “1997-2017 Land Need” report and Table 1.2 of Exhibit “B” are the most reliable starting point for the employment analysis in Task 2.

Goals 8, 11, 12 and 14

Home Builders have claimed that Metro's estimate of the land needed for future parks violates Goals 8, 11, 12 and 14. The concerns are narrowly related only to the parks calculations and have not been asserted for any other part of Metro's buildable lands inventory estimate. Therefore, the Council responds to these arguments only as they relate to the parks calculation.

Exhibit "A" of this ordinance states that Metro anticipates the region will need about 3,700 acres of land for the future to 2017. To calculate the amount of park land that may not be available for housing over the period 1997-2017, Metro estimated the current ratio of parks acres per 1,000 population in the UGB. That ratio simply tracks the level that park land has historically been provided by local governments in Metro's jurisdiction. Home Builders theory is that Goals 8, 11, 12 and 14 require a certain level of service in acres per 1,000 population and Metro is not providing that level. However, the Council is unable to identify anything in those Goals or their implementing rules that require a particular level of service for parks and, once again Home Builders fail to provide any evidence that demonstrates that the existing rate of park acres per 1,000 population is insufficient to satisfy park needs in the region.

The RFP does not set a level of service for the provision of parks for the region. Chapter 3.5.8 of the RFP states only that Metro will develop criteria that local governments should consider in adopting their own level of service standards for the amount of park land in their jurisdiction. Metro assumes that local governments will determine their own level of service for parks. Furthermore, the Council is not aware of any local government that has adopted local level of service standards for parks.

Metro assumes that Metro-owned open space lands outside the UGB will provide for part of the recreation needs of citizens living inside the UGB. Those open space lands were purchased with bond measure funds approved by the citizens of the regions to accomplish precisely that purpose. This assumption does not eliminate the need for park lands inside the UGB or force an increase in vehicle miles traveled. For these reasons, the Council finds that Metro's parks estimate of 3,700 acres adequately responds to the need for parks in the region, and to the extent that Goals 8, 11, 12 and 14 are even applicable to this estimate, that Metro's calculations are consistent with those Goals and their implementing rules.

STAFF REPORT

ORDINANCE NO. 00-871, FOR THE PURPOSE OF COMPLETING COUNCIL CONSIDERATION OF URBAN GROWTH BOUNDARY AMENDMENTS REQUIRED BY ORS 197.299, COMPLETING PERIODIC REVIEW WORK TASK 1 AND ADOPTING AMENDMENTS TO THE REGIONAL FRAMEWORK PLAN AND SECTION 3.10 OF THE METRO CODE

Date: September 14, 2000

Presented by: Andy Cotugno
Mark Turpel
Mary Weber

Purpose

This ordinance is intended to complete a periodic review of the region's urban growth boundary for the period 1997-2017 as required by State law. The ordinance does so through consideration of the 1997-2017 Land Need Report (this can be found on Metro's web page see: http://www.Metro.dst.or.us/growth/1997_2017_Land_Need.pdf), which compares the capacity to accommodate growth with the expected forecast growth during this twenty year time period. Amendments to the Regional Framework Plan and section 3.10 of the Metro Code (this pertains to Metro urban growth boundary procedures) reflecting this latest information are also included in order to ensure that Metro policies are consistent with this information.

Background

State law (ORS 197.296) requires Metro to periodically update the region's Urban Growth Boundary (UGB). This task includes the comparison of an inventory of buildable lands for housing within the UGB with a 20-year forecast of housing need. It also requires that within this overall supply there be an adequate supply of single family and multi-family housing land. Completion of this work determines if there is sufficient buildable land within the UGB to accommodate the 20-year housing need by type (single family/multi-family) and density range.

Factual Analysis

The detailed analysis for this ordinance is documented in the 1997-2017 Land Need Report. This document provides the assumptions and computations for the requirements established by the State Legislature, through ORS 197.299, that require Metro to complete various analyses and meet several deadlines. The first deadline was that no later than January 1, 1998, Metro was to complete an initial inventory, determination and analyses of the housing need for expansion of the UGB. This was completed by Metro in December 1997, with the adoption of the 1997 Urban Growth Report. This report estimated that there was a housing capacity deficit of 32,370 dwelling units that could not otherwise be accommodated within the existing UGB. This analysis was based on the assumption that riparian corridors would eventually regulate a 200 feet wide area.

The second State requirement was that within one year of completing the analysis (by December 1998), Metro was to accommodate at least one-half of any identified deficit in order to ensure a 20-year buildable land supply. Metro added 3,547 acres (17,900 dwelling unit capacity) to the UGB in December 1998. This addressed 55 percent of the potential 32,370 dwelling unit need.

The third State requirement was that Metro was to take final action to accommodate the 20 year need by December 1999. The State Department of Land Conservation and Development also notified Metro that it could only base capacity on adopted regulations. This meant that the 200-foot assumption for riparian areas used in the 1997 Urban Growth Report would have to be modified to reflect only adopted Metro regulations. The significant result was that the adopted water quality and storm water protection requirements along rivers, streams, lakes and wetlands in the region could be addressed, but not – future potentially more restrictive requirements of Goal 5 fish and wildlife habitat could not be accounted for at this time..

In response to these requirements, Metro worked through September 1999 to publish the Urban Growth Report 1999 Update containing new data reflecting the period 1994 to 1998. This report included calculation of the housing capacity of buildable lands inside the UGB based only on the adopted water quality portion of Metro Title 3. This report estimated that when the forecast 20-year need was compared with the capacity (including 1998 UGB expansions) it resulted in a 200 dwelling unit surplus. Alternatively, it found that if a 200-foot assumption was made about limiting growth in riparian corridors, a deficit of as much as 15,000 dwelling units could exist. After the analysis was reviewed by the Metro Council, the Council called for further examination of the development capacity of environmentally sensitive land (Title 3 areas) and accessory dwelling units (Resolution No. 99-2855C). It also directed that the Regional Goal 5 Program proceed, a time extension be sought and that local government implementation of Title 1, Table 1 of the Urban Growth Management Functional Plan be analyzed for consistency with urban growth report estimates.

Metro then requested a time extension. The State Land Conservation and Development Commission authorized a time extension for good cause and did so for a new deadline of October 31, 2000.

The 1997-2017 Land Need report is the documentation for the final action by the Metro Council to conclude task 1 of its periodic review of the region's urban growth boundary. Key conclusions are:

- The potential need for as much as 15,000 dwelling units to address lost capacity as a result of a future regional Goal 5 program will be deferred to later UGB decisions.
- The development capacity estimate of accessory dwelling units of 7,500 units (remaining unchanged).
- The development capacity on Title 3 lands is decreased to 800 units (a reduction of 2,400 units).

- UGB amendments in late 1999 and 2000 added 2,300 units. [This includes the legislative amendments in 1999 (2000 dwelling units) and the one quasi-judicial amendment made in 2000 (100 dwelling units) for a total of 2,100 dwelling units. In addition, an adjustment of 200 dwelling units to the 1998 amendments was made to reflect Title 3 regulations only.]
- As a result of these changes, overall the estimated housing capacity changed from a 200-unit surplus to a 100-unit surplus.
- A reconciliation of this capacity with the Title 1, Table 1 implementation analysis, found that the 2000 Update is within the range reported by local governments as a result of their actions to change zoning to meet the Title 1, Table 1 targets.

It must be noted, however, that these estimates do not reflect the impact of future regulations or additional analyses in our periodic review work plan. That is, the future UGB is tied to completion of the regional Goal 5 program, the subregional need analysis part of Task 2 of the work plan and the 2022 forecast and UGB review part of Task 3 of the work plan.

Also accompanying the ordinance are proposed changes to the Regional Framework Plan and section 3.10 of the Metro Code. These changes are proposed in order to ensure consistency between these documents and the analysis contained within the 1997-2017 Land Need Report, if accepted by the Metro Council.

Budget Implication

There are no direct budget implications to adoption of this ordinance.

Actual Density and Mix of Housing (1992-1998).

Issue: Conduct an analysis of actual density and mix of housing in accordance with ORS 197.296.3(b) and statewide planning goals to determine compliance with state laws.

Summary Findings: State law requires the responsible government body to maintain a 20 year supply of residential land inside its UGB to accommodate future need. If aggregate capacity falls short of expected total need, the local government may (1) expand its UGB to satisfactorily accommodate its forecasted 20 year need (2) amend its local zoning ordinances and/or functional plan to increase densities and residential capacity to accommodate expected future growth in its current UGB (3) or a combination of (1) and (2). In addition, the referenced statute also requires local jurisdiction with authority to amend its UGB to consider the actual mix of housing units (i.e., single family, manufactured homes and multi-family units) that have occurred in recent years.

The following table, figure 4.1, demonstrates three items: (1) the actual mix of housing types by single family, manufactured, and multi-family residential units. (2) actual densities per gross acres (3) and the actual densities per net acre. The difference between gross and net is the deduction of the following gross to net factors to achieve a net acre estimate: exempt land, schools, parks, churches, and streets. The amount or rate of deduction assumed in the gross-to net calculation is documented in the 1999 Urban Growth Report Update, September 1999.

Recommendations: None. This material is included to comply with requisite State law concerning actual development densities.

**Figure 4.1
Actual Density and Mix of Housing Units inside UGB
1992-1998**

Mix of Housing Types				
Year 1/	Single-family Units 2/	Manufactured Homes	Multi-family Units	Total Units
1992	4,421	128	2,153	6,702
1993	4,361	413	1,415	6,189
1994	5,042	396	2,672	8,110
1995	5,687	589	5,200	11,476
1996	5,388	363	4,085	9,836
1997	5,455	167	4,564	10,186
1998	5,844	251	4,491	10,586
TOTAL	36,198	2,307	24,580	63,085
Housing Mix Percent of Total	57.4%	3.7%	39.0%	100%

Actual Density per Gross Acre 3/			
	Single family 6/	Multi-family	Total Residential Land Developed
Gross Residential Land Developed (1992-98) in gross acres 4/	10,827	1,827	12,654
Average Gross Density by Housing Types (units/acre)	3.3	13.5	
Average Gross Density of All Housing Types (units/acre)			5.0

Actual Density per Net Buildable Acre			
	Single family 6/	Multi-family	Total Residential Land Developed
Net Residential Land Developed (1992-98) in net buildable acres	5,893	1,067	6,960
Average Net Density by Housing Types (units/acre)	6.1	23.0	
Average Net Density of All Housing Types (units/acre)			9.1

sources: RLIS database, 1992-98;
reference: HousingNeed.xls

RLIS Buildable Lands Report, 1992-98;

1999 Urban Growth Report Update, Sep. 1999

1/ Calendar Year basis

2/ Single family definition includes detached and attached (rowhouses, townhomes, etc.) single family units - also manufactured and mobile homes.

3/ Gross Acres includes environmentally constrained land (i.e. Title 3). Does not deduct for streets, parks, schools, churches, and public facilities.

4/ Amount of developed land is calculated as a residual of vacant land. The change in measured vacant land in 1992 less 1998 is the assumed amount of vacant land consumed (or developed). This number is adjusted to match changes in land accounting between 1996-97 in which the parks inventory was updated, Portland tax lots were re-mapped, additional water miles were identified through the Title 3 process, improved aerial photos identified more vacant land.

5/ Includes land used for both attached and detached single-family units, and manufactured homes

6/ Net buildable acres removes environmentally constrained land (i.e. Title 3) and reduces gross acres by an amount for streets, parks, schools, churches, and other public facilities (per 1999 UGR Update, Sep. 1999, p.6)

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF COMPLETING) ORDINANCE NO. 00-871
COUNCIL CONSIDERATION OF URBAN)
GROWTH BOUNDARY AMENDMENTS)
REQUIRED BY ORS 197.299, COMPLETING) Introduced by Growth Management
PERIODIC REVIEW WORK TASK 1 AND) Committee
ADOPTING AMENDMENTS TO THE)
REGIONAL FRAMEWORK PLAN AND)
SECTION 3.01 OF THE METRO CODE)

WHEREAS, Metro is responsible for the regional Urban Growth Boundary (“UGB”) for the 24 cities and urban portions of 3 counties under ORS 268.390(3); and

WHEREAS, the courts have determined that the regional UGB, including Metro’s UGB amendment process, is a comprehensive plan provision subject to Land Conservation and Development Commission (“LCDC”) acknowledgment and Periodic Review for compliance with applicable statewide land use goals; and

WHEREAS, Metro’s established UGB last completed Periodic Review by LCDC in December, 1992; and

WHEREAS, Metro’s regional UGB is subject to its regional urban growth goals and objectives, including the Region 2040 Growth Concept which was acknowledged by LCDC in 1996; and

WHEREAS, Metro adopted Ordinance 96-647C the Urban Growth Management Functional Plan (“UGMFP”), in November 1996, to implement Metro’s acknowledged Region 2040 Growth Concept which establishes the policies and identifies the compact urban form for the region to the year 2040 on the acknowledged concept map; and

WHEREAS, the UGMFP required local governments in Metro's jurisdiction to adopt new measures to increase the zoned capacity for housing to meet target capacities for residential dwelling units set forth in Title 1, Table 1 of the UGMFP (Metro Code 3.01.110); and

WHEREAS, local governments were required to adopt these new measures in their comprehensive plans and zoning ordinances by February, 1999. Most local governments in Metro's jurisdiction have complied with Title 1 or have or requested an extension from the Metro Council; and

WHEREAS, in December, 1997, to carry out Section 5(2)(b)(2) of the Metro Charter, Metro adopted Ordinance 97-715B the Regional Framework Plan ("RFP") which included provisions for "management and amendment of the urban growth boundary;" and

WHEREAS, the RFP sets forth nine variables that Metro is required to consider during any legislative amendment of the UGB; and

WHEREAS, also in December, 1997, as part of its five-year legislative review of the UGB, Metro completed an Urban Growth Report applying the nine variables for legislative amendments of the UGB consistent with the RFP; and

WHEREAS, pursuant to ORS 197.299, Metro was required to meet three deadlines to determine whether the regional UGB required expansion for the period 1997-2017; and

WHEREAS, the Metro Council met the first deadline in 1997 by completing an inventory of buildable lands based on 1994 data and adopting a need in for approximately 32,370 dwelling units that could not otherwise be accommodated in the UGB; and

WHEREAS, in 1998, the Metro Council complied with the second deadline in ORS 197.299 by adding 3,527 acres of land to the UGB, by ordinance, to provide capacity for

approximately one-half of the dwelling units needed for a 20-year housing capacity inside the UGB; and

WHEREAS, DLCDC Director Benner concluded that Metro's 1998 UGB amendments met the second deadline in ORS 197.299; and

WHEREAS, to estimate the remaining housing capacity inside the UGB to determine any need for UGB amendments to meet the third deadline in ORS 197.299, and meet the requirements of Goal 14, Metro worked throughout 1999 to publish the 1997 Urban Growth Report Update containing the best available data for the period 1994-1998, and again applying the nine variables required by the RFP; and

WHEREAS, the 1997 Urban Growth Report Update revised the 1997 assumptions on the extent of riparian protection for environmentally sensitive areas to reflect the vegetated corridor requirements in the water quality and flood management sections of Title 3 of the UGMFP (Metro Code 3.07.340); and

WHEREAS, the Metro Council accepted the calculation of need in the 1997 Urban Growth Report Update for the purpose of requesting an extension from the LCDC for meeting the third deadline in ORS 197.299; and

WHEREAS, LCDC granted the extension to allow Metro to review calculations for accessory dwelling units, environmentally constrained land and the potential impact of Metro's Fish and Wildlife Habitat Conservation program which would amend Title 3, Section 5 of the UGMFP; and

WHEREAS, on April 13, 2000, the Metro Council requested that LCDC initiate periodic review of the Metro UGB; and

WHEREAS, on May 25, 2000, the Metro Council adopted a periodic review work program and thereafter transmitted the work program to LCDC for approval; and

WHEREAS, Task 1 of the periodic review work program requires Metro to determine the supply of buildable land for housing and jobs for 20 years and accommodate any need, if such a need were determined, through UGB expansion; and

WHEREAS, on July 28, 2000 LCDC approved Metro's periodic review work program; and

WHEREAS, Metro staff completed an Urban Growth Report 2000 Update to address the work identified by LCDC in its January 3, 2000 order granting Metro's extension; and

WHEREAS, The computation of need described in Exhibit A applies the nine variables identified in the RFP for considering legislative amendments to the regional UGB. This computation demonstrates that the UGB contains sufficient buildable lands to accommodate housing needs for the years 1997-2017 resulting in a 100 dwelling unit surplus for that 20 year period; and

WHEREAS, notice of hearing, consistent with Metro Code and ORS 197.610(1), was sent to the DLCD at least 45 days prior to the first evidentiary hearing on September 14, 2000; and

WHEREAS, hearing(s) were held before the full Metro Council on September 14 and 21, 2000, and October 12, 19 and 26, 2000; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the Metro Council adopts the inventory of buildable lands, and estimate of housing need required by ORS 197.299(2)(b) and 197.296(3) attached and incorporated herein as Exhibit A.

2. That the Regional Framework Plan is amended as shown in Exhibit B, attached and incorporated herein.
3. That the Metro legislative amendment criteria (Metro Code 3.01.020) for amending the regional urban growth boundary are amended as shown in Exhibit C, attached and incorporated herein.
4. The provisions of this ordinance are separate and severable. The invalidity of any clause, sentence, paragraph, section, subsection, or portion of this ordinance or the invalidity of the application thereof to any city, county, person or circumstance shall not affect the validity of the remaining provisions of this ordinance or its application to other cities, counties, persons or circumstances.

ADOPTED by the Metro Council this _____ day of _____ 2000.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

**Exhibit "A" of
Ordinance No. 00-871**

State Law Requirements for 20 Year Buildable Land Supply

State law requires that at the time of periodic review or any other legislative review of the urban growth boundary ("UGB") Metro must "provide sufficient buildable lands" within the urban growth boundary ("UGB") to "accommodate estimated housing needs for 20 years." ORS 197.296(2). In 1997, the Oregon Legislature adopted legislation requiring Metro to accomplish three tasks related to the regional UGB. ORS 197.299. The legislation first required Metro to complete an inventory of buildable lands¹ within the UGB. Metro completed this task by calculating the inventory of buildable lands in the 1997 Urban Growth Report and adopting the conclusions of that report in the Regional Framework Plan. As of 1997, the calculations indicated a need for approximately 32,370 dwelling units for the period 1997-2017 based on 1994 data. As a second task, the legislation required Metro to "take such action as necessary" to provide one-half of the land needed to accommodate housing need for 20 years by the end of 1998. Metro complied with this provision by adopting UGB amendments to add land to accommodate approximately 18,100 dwelling units.

As the third task, the legislation required Metro to "take all final action * * * necessary to accommodate a 20 year buildable land supply." ORS 197.299(2)(b). In 1999, Metro staff compiled data in the 1997 Urban Growth Report Update (September 1999) ("UGR Update") to respond to this requirement. The data and analysis in the UGR Update was accepted by the Metro Council in Resolution 99-2855C in November, 1999, for the purpose of requesting that the Land Conservation and Development Commission ("LCDC") grant Metro an extension from the requirements of ORS 197.299(2)(b). The data in the UGR Update showed that the area within the UGB as of 1999 contained a surplus of 200 dwelling units. However, Metro identified a potential need for up to 15,000 dwelling units resulting from regional regulations to protect Fish and Wildlife Habitat pursuant to Title 3, Section 5 of the Urban Growth Management Functional Plan that Metro anticipated adopting by the end of 2000.

On January 3, 2000 LCDC granted Metro extension to ORS 197.299(2)(b) to October 31, 2000 to complete additional calculations regarding environmentally sensitive lands, jobs/housing imbalances, and estimated numbers of accessory dwelling units. During early 2000, the Metro Council determined that the process to adopt regional regulations for Fish and Wildlife Habitat protection would likely extend into 2001.² For this reason, calculations to estimate the dwelling unit capacity of environmentally sensitive areas were limited to areas regulated by Metro's Water Quality and Flood Management areas identified in Title 3, Sections 1-4 of the Urban Growth Management Functional Plan

¹ "'Buildable lands' means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses. 'Buildable lands' includes both vacant land and developed land likely to be redeveloped." ORS 197.295(1).

² Resolution 00-2912.

(“UGMFP”). To complete the work required to comply with ORS 197.299(2)(b), and to comply with Statewide Planning Goal 14 which requires local governments to use the best available data when considering UGB amendments, Metro staff conducted a review of the data in the UGR Update accounting for the first year (1997-1998) of development that occurred for the period 1997-2017, addressing the estimates required by LCDC and calculating the remain dwelling unit need for 1998-2017. This data is contained in the 1997-2017 Land Need Report.

Data and Calculations to Support Final Action to Accommodate 20 Year Buildable Land Supply

20 Year Forecast of Population

A calculation estimating whether sufficient buildable land exists within the UGB starts with a forecast of population as required by state law and Statewide Planning Goal 14. ORS 195.036. The RFP requires Metro to base its assessment of UGB capacity on “a forecast of population and jobs for the new 20 year period.” Chapter 1, RFP, p. 41. Metro’s compliance with ORS 197.296 and 299 are based on the “2015 Regional Forecast.”³ The forecast estimates that by the year 2017, the four county area of Washington, Clackamas, Multnomah and Clark counties will have approximately 579,700 new residents. Historically, the Metro UGB has attracted about 70 percent of new population growth. That means by 2017, the Metro UGB will have a need to accommodate housing for about 410,000 more residents resulting in a demand for approximately 205,200 new dwelling units for the period 1997-2017.

Inventory of Buildable Lands

To ensure that urban growth boundaries contain sufficient land to accommodate estimated housing needs for 20 years local governments and Metro must “inventory the supply of buildable lands within the urban growth boundary.” ORS 197.296(3). This inventory is then compared to the forecasted need for housing. State law does not prescribe any particular methodology for conducting the inventory. In 1997, the Metro Council adopted variables in the Regional Framework Plan that Metro must consider in calculating the supply of buildable lands for the region. The variables were applied in the 1997 Urban Growth Report, 1997 UGR Update and are the basis for completing the additional work required by LCDC in its January 3, 2000 extension order. The estimates related to these variables are the data used to determine whether the UGB contains sufficient buildable lands for 20 years in compliance with ORS 197.296(2).

The RFP requires Metro to complete specific estimates for buildable lands, reductions for public facilities and services and additions for redevelopment, infill development and upzoning by local governments. Chapter 1, RFP p. 41.

³ The analysis in the 2015 Regional Forecast was extended to calculate a population forecast to 2020 to account for the 20 year period 1997-2017.

Estimate of Unbuildable Land

The RFP requires that Metro “estimate the amount of unbuildable land (land over 25 percent slope, etc.)” The 1997 Urban Growth Report estimated unbuildable lands by considering steep slopes and assuming a 200 foot unbuildable area on both sides of streams within the UGB. Since Metro has not yet completed regulations for Fish and Wildlife Habitat areas, the UGR Update assumes that only the area regulated by Title 3 Water Quality and Flood Management regulations and areas with slopes equal to or exceeding 25 percent will be unbuildable.⁴ This means that for most streams in the region, the area between 50 and 200 feet from the edge of streams will be assumed to be buildable to some degree. The UGR Update estimated the dwelling unit capacity of these lands to be approximately 3,200 dwelling units based on historical densities.

After reductions for Title 3 regulated areas and steep slopes, the estimate of Gross Buildable Acres (all buildable lands) inside the UGB is 37,600 acres.

Reductions for Infrastructure and Facilities

The RFP requires that the calculation of need make reductions to the buildable land estimate for “streets, parks, etc.” Metro staff identified several categories land that are not available for housing or employment because the land provides for infrastructure, public facilities, religious and social services or is already platted and legally buildable for single family residential use.

Exempt Land

These are lands that are owned by federal, state, county or city governments in their proprietary capacities. The land is assumed to be available for facilities and services essential to those governmental bodies’ respective functions. The estimate for these exempt lands within the UGB is 1,900 acres.

Land Already Platted for Single Family Residential Use

Lands already platted for single family lots are assumed to already be available for residential use and, therefore, are unavailable for other categories of use that may occur on buildable lands generally. These platted lots, approximately 16,300 lots, are considered part of the supply of residential land supply in a subsequent step in the RFP analysis. The estimate for the number of acres of legally buildable single family lots is 2,900 acres.

Streets

The number of acres needed for the provision of future streets is estimated on a sliding scale. No reduction is applied for parcels of land less than 3/8 of an acres in size. A 10 percent reduction is applied for lots between 3/8 and one acre in size. An 18.5 percent

⁴ 1997 Urban Growth Report Update p. 66.

reduction is applied to parcels larger than one acre. The estimate for the amount of land needed to provide for future streets is 5,400 acres.

Schools

The number of acres needed for future schools is estimated by calculating students per acre for each school category - elementary, middle and high schools. Metro gathered information on students per acre through informal surveys of school districts in the Metro area. The estimate for the amount of land needed for future schools is 1,100 acres.

Parks

Land needed to provide for future parks is estimated by determining existing number of park acres within the UGB per 1,000 persons. Metro owned lands outside the UGB purchased with Open Spaces Bond Measure funds anticipated to provide park land amenities to residents inside the UGB. For this reason, the estimate of land needed for future parks inside the UGB is reduced by those acres of open space lands already purchased by Metro and the number of acres anticipated to be purchased outside the UGB in the future. The estimate for the amount of land needed for future parks is 3,700 acres.

Churches and Social Organizations

Like the parks estimate, the amount of land needed for future places of worship and social organizations is calculated by determining the existing number of acres for such uses within the UGB per 1,000 persons. Metro estimates this ratio to be 1.4 acres of church and social organization land per 1,000 persons. Based on this ratio, future need for these lands is about 600 acres. However, Metro staff identified approximately 717 acres of vacant land currently owned by churches and social organizations. This amount of land will satisfy the 600 acre identified need, and because the surplus 100 acres will not necessarily be available for future housing or employment use, the actual amount of land owned by these organizations is considered the amount that will be needed for future use. The estimated amount of land needed for churches and social organizations is 700 acres.

Calculation of Net Vacant Buildable Acres

The estimate of net vacant buildable acres is calculated by subtracting the RFP variable estimates for unbuildable lands, exempt lands, legally buildable single family lots, streets, schools, parks, churches and social organizations from the estimate of gross vacant buildable acres. After these reductions, there are estimated to be 21,900 net vacant buildable acres within the UGB. This estimate includes vacant land available for all types of urban uses such as, residential, commercial and industrial use.

The RFP variables require further estimates and reductions to determine the estimated number of dwelling units that can occur on vacant residential land. Residential land is a subset of the 21,900 acres of net developable land. It is estimated that approximately

13,200 acres of the 21,900 net developable acres are available for residential use.⁵ Based on Standard Regional Zoning Designations for residential and mixed use zones, it is estimated that the 13,200 acres of residentially zoned land within the UGB can accommodate approximately 88,600 dwelling units.

Difference Between Zoning Maximum Densities and Actual Built Densities

The RFP requires that the estimate of the number of dwelling units that can be accommodated on residentially zoned lands be reduced to account for the “probable difference between zoning maximum densities and actual built densities.” This requirement is addressed by an estimate of the “underbuild rate.”⁶ Underbuild represents the number of dwelling units that are not likely to occur on residentially zoned lands because property owners, for a variety of reasons, decide not to develop their property to the maximum allowed under local zoning codes. In 1996, the Metro Council adopted requirements in Title 1 of the UGMFP that local governments to adopt measures to insure residential zones are developed to at least 80 percent of the maximum allowed density. This regional requirement is the basis for the assumption that the underbuild rate will be no more than 20 percent for residential development within the UGB. The estimate of the difference between zoning maximum densities and actual built densities is a reduction of 25,800 dwelling units.

The reduction for underbuild is partially offset by two additional estimates that will add to the number of dwelling units that can be accommodated within the UGB for 20 years. Those estimates are for development in mixed use zones and dwelling units estimated to result from local government upzoning to meet Region 2040 Growth Concept goals. The estimate for the number of dwelling units that may occur as a result of local implementation of mixed use zones is an additional 4,300 dwelling units for the 20 year period.⁷

The estimate for the number of dwelling units that may be added as a result of local implementation of the Region 2040 Growth Concept assumes higher densities along transit corridors, main streets and regional and town centers. The estimate for the number of dwelling units to be added due to 2040 upzoning is 36,200 dwelling units for the 20 year period.

Reductions for Parcels with Full Buildout Obstacles

The RFP requires estimates of the number of dwelling units that may not occur due to development obstacles including lands with “8-24 percent slopes.” The UGR Update estimated that most of the buildout obstacles in areas of moderate slopes would occur in lands regulated by Metro’s Title 3 water quality and flood management regulations.

⁵ 1997 Urban Growth Report Update, p. 37.

⁶ 1997 Urban Growth Report Update, p. 38.

⁷ 1997 Urban Growth Report Update, p. 37.

Based on historical levels of development, the 1997 UGR Update estimated that approximately 3,200 dwelling units could be accommodated in Title 3 regulated areas.⁸

As part of its extension order, LCDC required Metro to reassess development capacity in environmentally sensitive areas. Staff analysis examined the lots that were partially and fully regulated by Title 3. Where existing residences were already located in Title 3 areas it was assumed that Title 3 would likely limit full buildout. However, for vacant lots that are located completely inside the Title 3 regulated area it was assumed that at least one single family residence would be allowed consistent with the UGMFP. Approximately 500 lots were identified in these areas yielding an estimate of 500 dwelling units for these lots. Staff also identified approximately 250-300 permits issued on vacant lands in Title 3 regulated areas during 1998 and 1999 that would add to the number of dwelling units allowed in environmentally sensitive areas.⁹

Consideration of Time to Allow Local Jurisdictions to make Zoning Changes

The RFP requires that Metro consider the “time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required.” Identified as “ramp up,” this calculation is related to Title 1 UGMFP requirements to achieve 80 percent of zoned densities in existing residential zones within the UGB. This consideration is accomplished by estimating the number of dwelling units per year, over a five year period (1994-1999), that will not be accommodated because local governments region wide have not fully implemented Title 1 of the UGMFP. The number of unrealized dwelling units is estimated for 1999, the final year of ramp up, at 1,300 dwelling units.

Redevelopment and Infill

The RFP requires “an estimate of the probable amount of additional redevelopment” and “projections of probable infill on built land.” Redevelopment occurs when a structure is demolished and others are constructed in its place. Infill occurs when residential land that already supports dwelling units adds additional dwelling units as permitted in the zone. The UGR Update combines these two estimates into one estimate called “refill.” Lands within the UGB are estimated to refill at an average rate of 28.5 percent over the period to 2017. Applying this rate results in an estimated additional accommodation of 58,500 dwelling units over 20 years.

Infill also includes estimates for accessory dwelling units. The UGR Update estimated approximately 7,500 dwelling units could be accommodated through accessory dwelling units in residential zones. As part of LCDC’s extension order, Metro was required to review this estimate. Metro staff completed this review and determined that 7,500 dwelling units is the best estimate based on available data.¹⁰

⁸ 1997 Urban Growth Report Update, p. 25.

⁹ July 6, 2000 memorandum, “Re: Projected Development Capacity in Title 3 regulated areas.”

¹⁰ March 31, 2000 memorandum, “Re: Accessory Dwelling Units.”

Conclusion - Comparing Regional Forecast and Supply of Buildable Lands

Total supply of residential land to accommodate housing needs within the UGB is calculated by making the additions and reductions for the estimates required in the RFP. This calculation is summarized in the 1997-2017 Land Need Report and in Exhibit B, Table 1.1 of this ordinance. The calculation required by the RFP shows a dwelling unit supply prior to the UGB amendments adopted by the Metro Council in 1998 of approximately 185,100 dwelling units.¹¹ The UGB amendments adopted in 1998, using the same assumptions to determine net developable land and dwelling unit capacity result in approximately 18,100 additional dwelling units to accommodate housing need to 2017. Additional land to accommodate housing need was added to the UGB by the Metro Council in 1999. There were comprised of portions of former urban reserve areas 41 and 65, and a locational adjustment that in total added an additional estimated 2,100 dwelling units. Adding the capacity of these UGB amendments to the estimate housing supply in 1997 results in a total supply of 205,300 dwelling units to accommodate housing need for the period 1997-2017.

The Regional Forecast discussed above estimates that approximately 205,200 dwelling units will be needed within the Metro UGB to accommodate projected population increases to 2017. Comparing the estimated supply of dwelling units to the Regional Forecast results in a 100 dwelling unit surplus for 2017. This calculation demonstrates that there is no “demonstrated need to accommodate long-range urban population growth requirements” to satisfy Goal 14. The 100 dwelling unit surplus also demonstrates that no further UGB amendments are required to satisfy the requirements of ORS 197.299(2)(b).

¹¹ This includes the estimated 16,300 existing legally buildable lots identified in the calculation of net vacant land.

**Exhibit "B" of
Ordinance No. 00-871**

Amend Chapter 1 of the Regional Framework Plan (Ord. 97-715B), UGB Analysis pg. 41:

The Urban Growth Boundary is one of the primary tools available to the region for managing urban form. In turn, the estimated capacity of the boundary to accommodate growth is of critical importance to managing the UGB. ~~Assessment of the current UGB capacity includes analysis of nine variables. At periodic review or any other legislative review of the urban growth boundary~~ Metro shall calculate, consistent with ORS 197.296 (1999), the supply of buildable lands for housing and employment within the urban growth boundary by determining estimates of at least the following variables:

- ~~a~~ A 20 year forecast of population and jobs for the land inside the existing urban growth boundary consistent with ORS 195.036. ~~next 20 year period~~
- ~~an estimate of~~ The amount of unbuildable land (land over 25 percent slope, etc.); including regulated Water Quality and Flood Management areas, Fish and Wildlife Habitat Conservation areas and lands having slopes equal to or exceeding 25 percent.
- The number of dwelling units that may occur on buildable parcels considering buildout obstacles, including Water Quality and Flood Management Areas, Fish and Wildlife Habitat Conservation areas and land with 8-24 percent slopes.
- ~~reductions to remaining buildable land for streets, parks, etc.~~ The amount of land unavailable for development that is used for streets, schools, parks, churches and social organizations, vacant legally buildable single family lots, and federal, state, county and city owned lands.
- The number of dwelling units that may occur on vacant buildable land inside the existing urban growth boundary based on current residential zoning designations.
- Reductions of the number of dwelling units that may occur due to the probable difference between zoning maximum densities and actual built densities.
- The number of additional dwelling units, if any, that may occur in mixed use zones and other zone changes required in local implementation of the Region 2040 Growth Concept.
- ~~consideration of time to allow local jurisdictions to make zoning changes if higher densities are to be allowed and required~~ If Metro adopts new measures to increase residential densities inside the existing urban growth boundary the number of additional dwelling units resulting from the new measures, and an estimate of the amount of time for local implementation.
- ~~reductions for buildable parcels with full buildout obstacles (e.g., land with 8-24 percent slopes, etc)~~

- an estimate of the number of dwelling units resulting from probable amount of additional redevelopment of land inside the existing urban growth boundary and infill development on built land including accessory dwelling units.
- projections of probable infill on built land
- evaluation of the amount of farm tax assessment lands within the current UGB that are likely to be urbanized.

The application of these variables shall take into account changes to local government comprehensive plans and implementing ordinances that have been made pursuant to the Region 2040 Growth Concept and the Urban Growth Management Functional Plan. The Urban Growth Management Functional Plan, particularly Title 1 "Requirements for Housing and Employment Accommodation," includes measures which increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the period 1997 to 2017.

Metro shall determine the actual density and the actual average mix of housing types of residential development and conduct an analysis of housing need by type and density range consistent with ORS 197.296 (1999). Metro shall conduct an analysis using available data to determine whether local governments are meeting the target capacities set forth in Title 1, Table 1 of the Urban Growth Management Functional Plan.

If Metro determines that the supply of buildable lands is not sufficient to accommodate housing needs for 20 years at the actual developed density since the last periodic review of the urban growth boundary or that the target capacities in Title 1, Table 1 of the Urban Growth Management Functional plan are not being met, Metro shall:

1. Consider additional measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years or will assist local governments in meeting the target capacities in Title 1, Table 1 of the Urban Growth Management Functional Plan; and
2. Adopt any additional measures the Metro Council determines are appropriate to accommodate housing need for 20 years; and
3. Estimate the probable number of additional dwelling units that may occur resulting from the additional measures the Metro Council adopts, if any.
4. If the Metro Council finds that the adoption of additional measures is not sufficient to fully accommodate housing and employment needs for 10 years, the Council shall amend the urban growth boundary to include sufficient lands to accommodate that need consistent with ORS 197.296 (1999) and applicable statewide land use goals.

In 1997/2000, as part of completing the review of the regional urban growth boundary required by state law, the Metro Council concluded that lands within the existing urban growth boundary were sufficient to accommodate estimated housing needs to the year capacity for the additional

~~dwelling units needed to accommodate the year 2017; forecasted need was not totally available within the current Urban Growth Boundary.~~ The following tables provides a step-by-step description of that process, assumptions and conclusions about the capacity of the region's Urban Growth Boundary in ~~1997~~2000.

Table 1.1 of the RFP is replaced by Table 1.1 Calculation of Current Urban Growth Boundary Capacity - Housing and Table 1.2 Calculation of Current Urban Growth Boundary Capacity – Employment of this exhibit.

Table 1.2 of the RFP is replaced by Table 1.3 Regional Housing Need by Type and Density Range of this exhibit.

Table 1.1
Calculation of Current Urban Growth Boundary Capacity - Housing

	Net Capacity	Dwelling Unit Demand		
Residential Demand Estimates (in Dwelling Units)				
1998-2017 Capture 70% of 4-County Forecast in Metro UGB		205,200		
Land Supply Estimates -- ACRES (Excludes UGB areas added 12/98 by Ordinance)				
All Gross Vacant Buildable Acres in UGB (with Title 3)	37,600		A C R E S	
Less: Vacant Federal-, State-, County- and City-owned lands	(1,900)			
Less: Acres of Platted Single Family Lots (16,300 Lots)	(2,900)			
Less: Acres for Streets	(5,400)			
Less: Acres for Schools	(1,100)			
Less: Acres for Parks	(3,700)			
Less: Acres for Churches & Social Organizations	(700)			
Net Vacant Buildable Acres (NVBA) in UGB without Reserves	21,900			
Residential Supply Estimates (in Dwelling Units)				
Dwelling Unit Capacity at Current Local Zoning (13,200 net acres)	88,600		U N I T S	
Add: Residential Development in Mixed Use Areas (MUC)	4,300			
Add: Units from 2040 Growth Concept Upzone	36,200			
Less: Units Lost to Underbuild (20%)	(25,800)			
Less: Units from Ramp-Up (1 year)	(1,300)			
Add: Units from Residential Refill (28.5%)	58,500			
Add: Minimal Development Capacity on Title 3 Land	800	(change from 3,200)		
Add: Units from Accessory Dwelling Units	7,500	(verified - no change)		
Add: Number of Dwelling Units from Single Family Platted Lots	16,300			
		↓		
	Dwelling Unit Loss/Gain	Supply	Demand	Surplus/ (Deficit)
Dwelling Unit Capacity before 12/98 UGB Amendments:		185,100	205,200	
Add: Dwelling Capacity gained with 12/98 UGB Amendments		18,100		
Dwelling Capacity with 12/98 UGB Amendments:		<u>203,200</u>		<u>(2,000)</u>
UGB Adjustments to 2000 UGR Update:				
Dwelling Capacity with 12/99 UGB Amendments				
Add: Dammasch Master Plan (part of UR 41)	1,300			
Add: SW Wilsonville (UR 39, school site)	0			
Add: Bethany (part of UR 65)	700			
Add: Jenkins - Kim	100			
		2,100		
		<u>205,300</u>	<u>205,200</u>	
Surplus Dwelling Need:				100

Table 1.2

Calculation of Current Urban Growth Boundary Capacity - Employment

DEMAND

Non-Residential (Employment/Jobs) Demand Estimates (in net acres):

8,364

1998-2017 Captured (82 %) Metro Urban Growth Boundary Demand

Forecasted Employment Demand (1998-2017) = 340,600 jobs based on historical development trends.

(Jobs measurement includes full & part time wage & salary positions and self-employed workers.)

Source: land need determined by Zonal Employment Land Demand Analysis Model - ZELDA)

Metro, Data Resource Center (DRC)

DEMAND (net acres)	Clack.	Mult.	Wash.	Total
Industrial	996	1,605	1,486	4,088
Commercial (non-Industrial)	1,085	1,587	1,605	4,276
Total	2,081	3,192	3,091	8,364

SUPPLY - Long Run Inventory Capacity Estimate

Non-Residential Land Supply Estimates (in net acres):

source: 1998 Vacant Land Study, Metro DRC

	Clack.	Mult.	Wash.	Total
Commercial - Central City	13	62	61	136
Commercial - General	138	164	331	633
Commercial - Neighborhood	4	41	32	77
Commercial - Office	79	35	220	334
Industrial - Heavy	129	2,524	740	3,393
Industrial - Light	239	715	1,884	2,838
Industrial / Commercial Mix	372	389	69	830
Town Center Mixed Use	1	143	75	219
Regional Center Mixed Use	3	36	193	232
Central City Mixed Use	0	0	0	0

SUPPLY (net acres)	Clack.	Mult.	Wash.	Total
Industrial	740	3,628	2,693	7,061
Commercial	234	302	644	1,180
Mixed Use	4	179	268	450
Total	978	4,109	3,605	8,691

Net Vacant Buildable Employment Land (before UGB Amendments): 8,691

less: Residential Development/Utilization in Mixed Use Areas (202)
(source: ZELDA analysis to avoid mixed use "double-counting")

Capacity without 12/98 UGB Amendments: 8,489

add: Employment land from UGB amendments (Productivity Analysis) 145

Non-Residential Land Supply Estimates (in net acres):

8,634

Industrial	7,063 net acres
Commercial (non-Industrial)	1,571 net acres
Total	8,634

Less: Projected Land Demand Estimate to Year 2017

8,364

Composite Employment Land Need: Surplus Capacity (net acres):

271

less: Placeholder - Title 3 and 200 foot buffer (in net acres) (964)

Employment Land Need: Deficit Capacity (net acres):

(694)

Exhibit "B" of Ordinance No. 00-871

Table 1.3
Regional Housing Need by Type and Density Range

Monthly Rental Cost	Approximate Equivalent Ownership Price	(Original 1997 UGR)	(REVISED 1999 UGR Update)	Detached Housing		Attached Housing			
		Number of New Housing Units Needed (1994-2017)	Number of New Housing Units Needed (1998-2017)	Detached Single Family & Manufactured Homes on Individual Lots	Detached Small Lot Single Family & Mobile and Manufactured Housing in Parks	Attached Single Family & Rowhouses	Multi-Family Low Rise	Multi-Family Mid Rise	Multi-Family High Rise
\$ 0 – 299	\$ under 50,000	2,381	1,956	N/A	N/A	N/A	A,R	A,R	A,R
300 – 399	50,000 – 59,999	10,340	8,494	N/A	N/A	N/A	A,R	A,R	A,R
400 – 499	60,000 – 74,999	25,859	21,242	N/A	N/A	A,R	A,R	A,R	A,R
500 – 599	75,000 – 89,999	32,993	27,102	O	O	A,R	A,O,R	A,O,R	A,O,R
600 – 749	90,000 – 114,999	38,823	31,891	O	O	O,R	O,R	O,R	O,R
750 – 999	115,000 – 149,999	51,823	42,570	O	O	O,R	O,R	O,R	O,R
1,000 – 1,165	150,000 – 174,999	39,082	32,104	O	O	O,R	O,R	O,R	O,R
1,166 – 1,330	175,000 – 199,999	12,693	10,427	O	O	O,R	O,R	O,R	O,R
over 1,330	over 200,000	35,806	29,413	O	O	O,R	O,R	O,R	O,R
Total Units:		249,800	205,200						

"O" means that the new housing is expected to be primarily owner occupied;
 "R" means that the housing is expected to be primarily renter occupied;
 "A" means assisted housing.

Source: Housing Needs Analysis – Final Draft, December 18, 1997, p. 80

**Exhibit "C" of
Ordinance No. 00-871**

Amends Metro Code 3.01.020(b)(1):

- (A) The district shall develop 20-year Regional Forecasts of Population and Employment, which shall include a forecast of net developable land need, providing for ~~review and comment by~~ coordination with cities, counties, special districts and other interested parties. After deliberation upon all relevant facts the district shall adopt a forecast. This forecast shall be completed at least every five years or at the time of periodic review, whichever is sooner. Concurrent with the adoption of the district's ~~growth forecast~~ 20 – year Regional Forecast, the district shall complete an inventory of net developable land calculating the supply of buildable land within the urban growth boundary by applying the variables set forth in Chapter 1 of the Regional Framework Plan. ~~The district shall provide~~ ing the opportunity for review and comment by all cities and counties in the district.
- (i) In calculating the supply of buildable lands in the urban growth boundary, the district shall estimate the effect, based on the best information available, of changes to zoned capacity that have been adopted and implemented by local governments to comply with the Region 2040 Growth Concept and all titles the Urban Growth Management Functional Plan.
- (ii) The district shall estimate the number of gross vacant buildable acres within the urban growth boundary.
- (iii) The district shall estimate the number of net vacant buildable acres within the urban growth boundary from the gross vacant buildable acres. The number of acres estimated to be unavailable for housing development shall be subtracted to estimate the net acres, including, but not limited to:
- (I) Lands in environmentally sensitive areas and lands with slopes equal to or exceeding 25 percent.
- (II) Lands for streets, schools, parks, churches and social organizations.
- (III) Vacant legally buildable lots zoned for single family residential use.
- (iv) The district shall estimate the number of net vacant buildable acres that are available for residential use based on current local government zoning designations. The district shall also estimate the number of dwelling units that these residentially zoned lands can accommodate under existing zoning designations.
- (v) The district shall reduce the estimated number of dwelling units that can be accommodated on vacant residential lands to account for the following:

- (I) The number of dwelling units estimated to be lost when property owners do not develop to maximum residential densities; and
 - (II) If Metro adopts additional measures to increase residential densities inside the existing urban growth boundary, the number of additional dwelling units estimated to be accommodated as the result of the new measures.
- (vi) The district shall increase the estimated number of dwelling units that may be accommodated on vacant residential lands due to changes in zoning or development patterns, including but not limited to, the following:
- (I) Local adoption of mixed use zoning designations;
 - (II) Local adoption of increased residential densities to meet Region 2040 Growth Concept and Title 1 of the Urban Growth Management Functional Plan;
 - (III) The estimated number of dwelling units that may be accommodated as a result of redevelopment and infill development and accessory dwelling units;
 - (IV) The estimated number of dwelling units allowed on legally buildable lots in environmentally constrained areas;
 - (V) Development on vacant and legally buildable lots zoned for single family at a rate of one dwelling unit per lot.
- (B) The forecast and inventory, along with all other appropriate data shall be considered by the district in determining the need for urban net developable land. Appropriate data includes, but is not limited to, estimates of the actual density and the actual average mix of housing types of residential development that have occurred within the urban growth boundary since the last periodic review of the urban growth boundary or last five years, whichever is greater. The results of the inventory and forecast shall be compared, and if the net developable land equals or is larger than the need forecast, then the district council shall hold a public hearing, providing the opportunity for comment. The council may conclude that there is no need to move the UGB and set the date of the next five-year review or may direct staff to address any issues or facts which are raised at the public hearing.
- (C) If the inventory of net developable land is less than the need forecast, insufficient to accommodate the housing need identified in the 20-year Regional Forecast at the actual developed density that has occurred since the last periodic review of the urban growth boundary, the district shall:

- (i) Conduct a further analysis of the inventory of net developable land to determine whether the identified need can reasonably be met within the urban growth boundary including a consideration of whether any significant surplus of developable land in one or more land use categories could be suitable to address the unmet forecasted need;
- (ii) Estimate city and county progress toward meeting the target capacities for dwelling units and employment set forth in Title I of the Urban Growth Management Functional Plan (Metro Code, Table 3.07-1);
- (iii) Consider amendments to the Urban Growth Management Functional Plan that would increase the number of dwelling units that can be accommodated on residential land within the urban growth boundary;
- (iv) Adopt amendments to the Urban Growth Management Functional Plan that the Metro Council determines are appropriate;
- (v) Estimate whether the increased number of dwelling units accommodated within the urban growth boundary due to amendments to the Urban Growth Management Functional Plan will provide a sufficient number of dwelling units to satisfy the forecasted need.
- (vi) The Metro Council shall hold a public hearing prior to its determination of whether any estimated deficit of net developable land is sufficient to justify and analysis of the locations for a legislative amendment of the UGB.

Amend definition of net developable lands:

(o) “Net developable vacant land” means the amount of land remaining when gross developable vacant land is reduced by the amount of the estimated land needed for the provision of additional roads, schools, parks, private utilities and other public facilities number of acres that are available for all types of development after the total number of developable acres within the UGB is reduced by the amount of land for the provision of roads, schools, parks, private utilities, churches, social organizations, legally buildable single family lots, and other public facilities.

THE 1997-2017 LAND NEED REPORT IS AVAILABLE AT THE
METRO WEBSITE www.metro-region.org
LIMITED COPIES WILL BE AVAILABLE AT COUNCIL
PUBLIC HEARING ON 9/14/00 and 9/21/00

1997-2017 Land Need

July 2000



METRO

STAFF REPORT

ORDINANCE NO. 00-871, FOR THE PURPOSE OF COMPLETING COUNCIL CONSIDERATION OF URBAN GROWTH BOUNDARY AMENDMENTS REQUIRED BY ORS 197.299, COMPLETING PERIODIC REVIEW WORK TASK 1 AND ADOPTING AMENDMENTS TO THE REGIONAL FRAMEWORK PLAN AND SECTION 3.10 OF THE METRO CODE

Date: September 14, 2000

Presented by: Andy Cotugno
Mark Turpel
Mary Weber

Purpose

This ordinance is intended to complete a periodic review of the region's urban growth boundary for the period 1997-2017 as required by State law. The ordinance does so through consideration of the 1997-2017 Land Need Report (this can be found on Metro's web page see: http://www.Metro.dst.or.us/growth/1997_2017_Land_Need.pdf), which compares the capacity to accommodate growth with the expected forecast growth during this twenty year time period. Amendments to the Regional Framework Plan and section 3.10 of the Metro Code (this pertains to Metro urban growth boundary procedures) reflecting this latest information are also included in order to ensure that Metro policies are consistent with this information.

Background

State law (ORS 197.296) requires Metro to periodically update the region's Urban Growth Boundary (UGB). This task includes the comparison of an inventory of buildable lands for housing within the UGB with a 20-year forecast of housing need. It also requires that within this overall supply there be an adequate supply of single family and multi-family housing land. Completion of this work determines if there is sufficient buildable land within the UGB to accommodate the 20-year housing need by type (single family/multi-family) and density range.

Factual Analysis

The detailed analysis for this ordinance is documented in the 1997-2017 Land Need Report. This document provides the assumptions and computations for the requirements established by the State Legislature, through ORS 197.299, that require Metro to complete various analyses and meet several deadlines. The first deadline was that no later than January 1, 1998, Metro was to complete an initial inventory, determination and analyses of the housing need for expansion of the UGB. This was completed by Metro in December 1997, with the adoption of the 1997 Urban Growth Report. This report estimated that there was a housing capacity deficit of 32,370 dwelling units that could not otherwise be accommodated within the existing UGB. This analysis was based on the assumption that riparian corridors would eventually regulate a 200 feet wide area.

The second State requirement was that within one year of completing the analysis (by December 1998), Metro was to accommodate at least one-half of any identified deficit in order to ensure a 20-year buildable land supply. Metro added 3,547 acres (17,900 dwelling unit capacity) to the UGB in December 1998. This addressed 55 percent of the potential 32,370 dwelling unit need.

The third State requirement was that Metro was to take final action to accommodate the 20 year need by December 1999. The State Department of Land Conservation and Development also notified Metro that it could only base capacity on adopted regulations. This meant that the 200-foot assumption for riparian areas used in the 1997 Urban Growth Report would have to be modified to reflect only adopted Metro regulations. The significant result was that the adopted water quality and storm water protection requirements along rivers, streams, lakes and wetlands in the region could be addressed, but not – future potentially more restrictive requirements of Goal 5 fish and wildlife habitat could not be accounted for at this time..

In response to these requirements, Metro worked through September 1999 to publish the Urban Growth Report 1999 Update containing new data reflecting the period 1994 to 1998. This report included calculation of the housing capacity of buildable lands inside the UGB based only on the adopted water quality portion of Metro Title 3. This report estimated that when the forecast 20-year need was compared with the capacity (including 1998 UGB expansions) it resulted in a 200 dwelling unit surplus. Alternatively, it found that if a 200-foot assumption was made about limiting growth in riparian corridors, a deficit of as much as 15,000 dwelling units could exist. After the analysis was reviewed by the Metro Council, the Council called for further examination of the development capacity of environmentally sensitive land (Title 3 areas) and accessory dwelling units (Resolution No. 99-2855C). It also directed that the Regional Goal 5 Program proceed, a time extension be sought and that local government implementation of Title 1, Table 1 of the Urban Growth Management Functional Plan be analyzed for consistency with urban growth report estimates.

Metro then requested a time extension. The State Land Conservation and Development Commission authorized a time extension for good cause and did so for a new deadline of October 31, 2000.

The 1997-2017 Land Need report is the documentation for the final action by the Metro Council to conclude task 1 of its periodic review of the region's urban growth boundary. Key conclusions are:

- The potential need for as much as 15,000 dwelling units to address lost capacity as a result of a future regional Goal 5 program will be deferred to later UGB decisions.
- The development capacity estimate of accessory dwelling units of 7,500 units (remaining unchanged).
- The development capacity on Title 3 lands is decreased to 800 units (a reduction of 2,400 units).

- UGB amendments in late 1999 and 2000 added 2,300 units. [This includes the legislative amendments in 1999 (2000 dwelling units) and the one quasi-judicial amendment made in 2000 (100 dwelling units) for a total of 2,100 dwelling units. In addition, an adjustment of 200 dwelling units to the 1998 amendments was made to reflect Title 3 regulations only.]
- As a result of these changes, overall the estimated housing capacity changed from a 200-unit surplus to a 100-unit surplus.
- A reconciliation of this capacity with the Title 1, Table 1 implementation analysis, found that the 2000 Update is within the range reported by local governments as a result of their actions to change zoning to meet the Title 1, Table 1 targets.

It must be noted, however, that these estimates do not reflect the impact of future regulations or additional analyses in our periodic review work plan. That is, the future UGB is tied to completion of the regional Goal 5 program, the subregional need analysis part of Task 2 of the work plan and the 2022 forecast and UGB review part of Task 3 of the work plan.

Also accompanying the ordinance are proposed changes to the Regional Framework Plan and section 3.10 of the Metro Code. These changes are proposed in order to ensure consistency between these documents and the analysis contained within the 1997-2017 Land Need Report, if accepted by the Metro Council.

Budget Implication

There are no direct budget implications to adoption of this ordinance.

Actual Density and Mix of Housing (1992-1998).

Issue: Conduct an analysis of actual density and mix of housing in accordance with ORS 197.296.3(b) and statewide planning goals to determine compliance with state laws.

Summary Findings: State law requires the responsible government body to maintain a 20 year supply of residential land inside its UGB to accommodate future need. If aggregate capacity falls short of expected total need, the local government may (1) expand its UGB to satisfactorily accommodate its forecasted 20 year need (2) amend its local zoning ordinances and/or functional plan to increase densities and residential capacity to accommodate expected future growth in its current UGB (3) or a combination of (1) and (2). In addition, the referenced statute also requires local jurisdiction with authority to amend its UGB to consider the actual mix of housing units (i.e., single family, manufactured homes and multi-family units) that have occurred in recent years.

The following table, figure 4.1, demonstrates three items: (1) the actual mix of housing types by single family, manufactured, and multi-family residential units. (2) actual densities per gross acres (3) and the actual densities per net acre. The difference between gross and net is the deduction of the following gross to net factors to achieve a net acre estimate: exempt land, schools, parks, churches, and streets. The amount or rate of deduction assumed in the gross-to net calculation is documented in the 1999 Urban Growth Report Update, September 1999.

Recommendations: None. This material is included to comply with requisite State law concerning actual development densities.

**Figure 4.1
Actual Density and Mix of Housing Units inside UGB
1992-1998**

Mix of Housing Types				
Year 1/	Single-family Units 2/	Manufactured Homes	Multi-family Units	Total Units
1992	4,421	128	2,153	6,702
1993	4,361	413	1,415	6,189
1994	5,042	396	2,672	8,110
1995	5,687	589	5,200	11,476
1996	5,388	363	4,085	9,836
1997	5,455	167	4,564	10,186
1998	5,844	251	4,491	10,586
TOTAL	36,198	2,307	24,580	63,085
Housing Mix Percent of Total	57.4%	3.7%	39.0%	100%

Actual Density per Gross Acre 3/			
	Single family 6/	Multi-family	Total Residential Land Developed
Gross Residential Land Developed (1992-98) in gross acres 4/	10,827	1,827	12,654
Average Gross Density by Housing Types (units/acre)	3.3	13.5	
Average Gross Density of All Housing Types (units/acre)			5.0

Actual Density per Net Buildable Acre			
	Single family 6/	Multi-family	Total Residential Land Developed
Net Residential Land Developed (1992-98) in net buildable acres	5,893	1,067	6,960
Average Net Density by Housing Types (units/acre)	6.1	23.0	
Average Net Density of All Housing Types (units/acre)			9.1

sources: RLIS database, 1992-98; RLIS Buildable Lands Report, 1992-98; 1999 Urban Growth Report Update, Sep. 1999
reference: HousingNeed.xls

1/ Calendar Year basis

2/ Single family definition includes detached and attached (rowhouses, townhomes, etc.) single family units - also manufactured and mobile homes.

3/ Gross Acres includes environmentally constrained land (i.e. Title 3). Does not deduct for streets, parks, schools, churches, and public facilities.

4/ Amount of developed land is calculated as a residual of vacant land. The change in measured vacant land in 1992 less 1998 is the assumed amount of vacant land consumed (or developed). This number is adjusted to match changes in land accounting between 1996-97 in which the parks inventory was updated, Portland tax lots were re-mapped, additional water miles were identified through the Title 3 process, improved aerial photos identified more vacant land.

5/ Includes land used for both attached and detached single-family units, and manufactured homes

6/ Net buildable acres removes environmentally constrained land (i.e. Title 3) and reduces gross acres by an amount for streets, parks, schools, churches, and other public facilities (per 1999 UGR Update, Sep. 1999, p.6)

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