



# Meeting minutes

Meeting: **Metro Technical Advisory Committee (MTAC) meeting**

Date/time: Wednesday, February 21, 2024 | 9:00 a.m. to 12:00 p.m.

Place: Virtual video meeting via Zoom

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## **Members Attending**

Eryn Kehe, Chair  
Joseph Edge  
Carol Chesarek  
Victor Saldanha  
Tom Armstrong  
Erik Olson  
Terra Wilcoxson  
Aquilla Hurd-Ravich  
Anna Slatinsky  
Laura Terway  
Steve Koper  
Katherine Kelly  
Jamie Stasny  
Jessica Pelz  
Laura Kelly  
Gery Keck  
Cindy Detchon  
Tom Bouillion  
Bret Marchant  
Brett Morgan  
Nora Apter  
Rachel Loftin  
Preston Korst  
Erik Cole

## **Affiliate**

Metro  
Clackamas County Community Member  
Multnomah County Community Member  
Washington County Community Member  
Largest City in the Region: Portland  
Largest City in Clackamas County: Lake Oswego  
Largest City in Multnomah County: Gresham  
Second Largest City in Clackamas County: Oregon City  
Second Largest City in Washington County: Beaverton  
Clackamas County: Other Cities, City of Happy Valley  
Washington County: Other Cities, City of Tualatin  
City of Vancouver  
Clackamas County  
Washington County  
Oregon Dept. of Land Conservation & Development  
Tualatin Hills Park & Recreation District  
North Clackamas School District  
Port of Portland  
Greater Portland, Inc.  
1000 Friends of Oregon  
Oregon Environmental Council  
Community Partners for Affordable Housing  
Home Builders Association of Metropolitan Portland  
Schnitzer Properties, Inc.

## **Alternate Members Attending**

Kamran Mesbah  
Vee Paykar  
Faun Hosey  
Morgan Tracy  
Ashley Miller  
Dan Rutzick  
Miranda Bateschell  
Martha Fritzie  
Kevin Cook  
Theresa Cherniak  
Glen Bolen  
Chris Faulkner  
Cassera Phipps

## **Affiliate**

Clackamas County Community Member  
Multnomah County Community Member  
Washington County Community Member  
Largest City in the Region: Portland  
Largest City in Multnomah County: Gresham  
Largest City in Washington County: City of Hillsboro  
Washington County: Other Cities: City of Wilsonville  
Clackamas County  
Multnomah County  
Washington County  
Oregon Department of Transportation  
Clean Water Services  
Clean Water Services

Fiona Lyon  
Jerry Johnson  
Jeff Hampton  
Sarah Radcliffe  
Jacqui Treiger  
Craig Sheahan  
Leah Fisher

TriMet  
Johnson Economics, LLC  
Business Oregon  
Habitat for Humanity Portland Region  
Oregon Environmental Council  
David Evans & Associates, Inc.  
Public Health & Urban Forum, Clackamas County

### **Guests Attending**

Anthony Riederer  
Ariel Kane  
Barara Fryer  
Becky Coutinho  
Bruce Coleman  
Jay Higgins  
Jerome Gangle  
Jim Wheeler  
Jonathan McCall  
Karen Guillen-Chapman  
Ken Pirie  
Steve Kountz  
Todd Borkowitz  
Vera Kalias

### **Affiliate**

City of Hillsboro  
City of Portland  
City of Cornelius  
City of Hillsboro  
City of Sherwood  
City of Gresham  
  
City of Gresham  
Schlesinger Companies  
DLCD  
Walker Macy  
City of Portland  
Washington County  
City of Milwaukie

### **Metro Staff Attending**

Al Mowbray, Brian Harper, Clint Chiavarini, Dennis Yee, Eryn Kehe, Jake Lovell, Josh Harwood, Laura Combs, Marie Miller, Matt Bihn, Matthew Hampton, Ted Reid

### **Call to Order, Quorum Declaration and Introductions**

Chair Eryn Kehe called the meeting to order at 9:00 a.m. A quorum was declared. Introductions were made. Zoom logistics and meeting features were reviewed for online raised hands, renaming yourself, finding attendees and participants, and chat area for messaging and sharing links. An overview of the agenda was given.

### **Comments from the Chair and Committee Members**

Kevin Cook announced Multnomah County is hiring a new Planning Director. The link for more information was shared in chat: [https://multco.wd1.myworkdayjobs.com/en-US/Multco\\_Jobs/job/Land-Use-Planning-Director\\_R-13915](https://multco.wd1.myworkdayjobs.com/en-US/Multco_Jobs/job/Land-Use-Planning-Director_R-13915)

Glen Bolen announced several road closures planned in the region. Links to this information was shared in the chat: <https://www.oregon.gov/odot/or217/pages/default.aspx> 2-month closure of Hall Blvd On-ramp to OR217 South – starts Jan. 22

St Johns bridge closure, <https://www.oregon.gov/odot/projects/pages/project-details.aspx?project=20522>

Traffic delays are expected during peak hours from January 8 to July 2, 2024 approaching the St. Johns Bridge. Construction activities will require full, around-the-clock closures of the southern section of NW Bridge Ave and lane reductions on the bridge. (U.S. 30 Bypass). Local traffic will be detoured on the northern section of NW Bridge Ave.

NW Bridge Avenue Closure: From January 8 to July 2, 2024, the southern section of NW Bridge Ave (U.S. 30 Bypass) will completely close to traffic while crews work on the rock hillside. The sidewalks and parking lot on NW Bridge Ave will also close during this time. Vehicle lanes on the St. Johns Bridge will be reduced to one lane in each direction.

Summary of meeting survey (Chair Kehe) It was noted we had good participation in the survey about in-person meetings. The results were in the packet. Chair Kehe would be looking into logistics for possibly three hybrid meetings this year that offer both in-person and online attendance. One meeting of significance is the UGB decision later this summer when MTAC will vote and send to MPAC their recommendation. Advance notice for hybrid meetings will be sent when details are known. If the committee has suggestions for hybrid meetings outside Metro Regional Center they can reach out to Chair Kehe.

**Public Communications on Agenda Items** – none given.

**Consideration of MTAC minutes January 17, 2024 meeting**

Chair Kehe asked for a vote to approve MTAC minutes from January 17, 2024 meeting.

**ACTION: Motion passed with no opposed, and 3 abstentions.**

**Middle Housing Panel Discussion** (Joseph Edge, Moderator) Panelists: Vera Koliass, City of Milwaukie/ Dan Rutzick, City of Hillsboro/ Miranda Bateschell, City of Wilsonville/ Tom Armstrong & Morgan Tracy, City of Portland/ Jim Wheeler, City of Gresham/ Anna Slatinsky, City of Beaverton

Mr. Edge introduced the presentation as a panel discussion to review Metro jurisdictions approaches and experiences with regard to middle housing development. Noted were middle housing legislation that have affected local laws, with opportunities and challenges. Each panelist provided background/history prior to (HB2001), developer interest and production, including challenges and barriers to reach middle housing goals.

Question to Vera Koliass, City of Milwaukie: Have you seen any permitting on lots that are less than the 5,000 square feet minimum that will really only allow middle housing, and then paired with that, with the legislation to allow reestablishment of historic lots. Could you talk about any challenges that your city's code may have with allowing that.

Answered: We have not experienced any issues so far with the reestablishment of underlying lots or historically platted lots. For example, our townhouse lot sizes fit perfectly with our underlying lot sizes which are typically 25x100. We have a lot of historic platted lines that would work for townhouses quite easily. We did a code amendment to allow, because of the corner lots, we do have a street side yard setback that would be challenging for those 25x100 lots, so we amended our code to account for that. We have some minor land partitions that have resulted in a lot that is less than 5,000 square feet. They'll need to build a minimum duplex on those lots. As much public engagement about middle housing as we did, it's a surprise to learn a smaller lot can have a duplex and cannot have a single-family home.

Question to Dan Rutzick, City of Hillsboro: You mentioned that stacked plexes are not happening due to implications for building code. Do you have any ideas what's missing there that would enable that type?

Answered: As we head into the housing production strategy work, we need to dive deeper into really align HB2001 moving forward with these plexes, but make sure the building code is aligned as well. In talking with our development services colleagues simple middle housing is favored. That's perhaps a large reason we're talking a lot today about townhouses. I know development services planners have noted that developers aren't aware, separate from the stack plexes, you can do a duplex that's fairly simple. This begs the question why not a town home at that point do, but the duplex is a different housing type. In digging deeper, I recognize that opportunities for duplexes vs town homes that can be simple, but there's an education piece with local governments to get out to the development community. I'm curious what others are seeing around opportunities for simple duplex vs development.

Follow up question: Did you consider a form-based code instead? I see that you also mentioned that the density maximum is a big question mark for what people can do.

Answered: I don't remember mentioning a density maximum being problematic other than town homes come into small lots, which is super exciting. I don't know of any challenges around maximums in that case when we undertook the HB2001 code amendments two years back bring into our code. We have not explored moving into a form-based code. But as we look at the housing production strategy, we're going to be doing a parallel housing code audit, which would be a great opportunity to identify additional barriers that exists in our code. That can open up questions of how many jurisdictions that have codes dating back decades that have been added down the road look at having more holistic approach. Because that in and of itself is a barrier to housing production.

Question to Morgan Tracy, City of Portland: You mentioned the challenge with the long-term outlook for middle housing, land division plan, projects, which relates to these maintenance agreements vs HOA situations. Did you study how this worked out in Houston, Texas which did a minimum lot size reform for townhouses in 1998 and added 80,000 town home units infill in their city. I think it's been 25 years those reforms were in place.

Answered: I don't think it's a function of the lot size. It's what is the resolution when something goes wrong on the project. All these shared elements, the utilities, the siding, the roofing, access when something goes wrong on somebody's property. If all the neighbors in that project get along it's fine. But if there's an uncooperative resident in one of those units it will be a challenge unless there's some sort of form of governance, however that's manifested to address that. It's outside our zoning so we flag this for a possible problem. The middle housing land divisions don't require an HOA. It's like everything else about middle housing. We have things for big projects, we have things for single houses, it's what's in the middle building code, governance, financing, all these things are part of it. We've tackled the zoning aspect of that, and these other things will come along over time.

Circling back to Mr. Rutzick's response on the form-based code, a problem that Portland got into was we started with a form-based approach in terms of how middle housing would integrate into the neighborhoods with a large primary structure and a detached accessory structure and focused on that form and didn't allow for some of the detached options to occur. This compounded the problem of all the multiple options and what we call this vs a detached duplex vs a duplex vs two town homes that are all virtually same thing as two units. If we step back a little from being so prescriptive around those form things I think we can simplify and open up options for development.

Question to Jim Wheeler, City of Gresham: What are lot sizes that you are seeing for the middle housing land divisions? What are the averages that those are coming in at your city?

Answered: We only have one subdivision where it's anticipated with future middle housing land division. Those lot sizes were generally above 10,000 square feet so that when they do the middle housing land division for detached units, they are down to somewhere in the 25 to 3,000 square foot range. The rest are townhouses which are under 2,000 square feet.

Question to Anna Slatinsky, City of Beaverton: You mentioned that you did an analysis in Beaverton in terms of what the feasibility was for middle housing redevelopment. Did you come across a magic number for the number of units that would have to be allowed on a residential lot to enable that redevelopment to occur.

Answered: Economically, no. The key variable was actually the value of the existing lot and development. Older homes and neighborhoods that have lower property values were more likely to pencil a demo and redevelopment of that site because it's just so you could reduce that number. Middle housing is talking about units, not apartment buildings. That really wasn't the issue. The issue was the high value of the existing homes and property. In order to have it make sense to do something else, you have to be able to make a profit that is greater than what you've already got. I will note we have seen homeowners coming who are interested in developing around an existing home and even sometimes developers. So that actually kind of sidesteps that question of what you lose in order to build middle housing if you're going to demo something. The challenge there is that then you have to work around the physical location of that existing home. In Beaverton a lot of homes are placed in the middle of a lot. How do you fit in the infrastructure? How do you fit in the space between building? How do you fit in the side yard setbacks, even if they're quite narrow? It can be challenging to do that.

Question to Miranda Bateschell, City of Wilsonville: You mentioned the CCNR's. How much of an impact do you think that's going to have in your city in terms of being able to allow middle housing internal conversions as well as redevelopment or infill?

Answered: It's really hard to tell at this point. Any new CCNRs don't have any of those constraints. But we are aware that a lot of CCNRs, especially because we have done planned developments, there are a lot of our neighborhoods that have CCNRs. We haven't done a full inventory, but we are aware that several limit the allowance of an accessory dwelling unit or another unit on the property. So we've changed all the zoning for those neighborhoods. But they're so restricted by their CCNRs. So we do see that as a challenge.

Comments from the committee:

Rachel Loftin thanked everyone for the information. It was really helpful to hear everything that's changed around the middle housing land division with Senate Bill 2001. I actually developed plexes about five or six years ago and I still have some trauma from trying to set up HOAs for affordable housing. I encourage you to try to continue to find ways to construct this middle housing without the HOAs being a requirement, especially within the affordable side. There are very few mission-based HOA companies, and it feels like writing a blank check to build affordable housing with an HOA. You have no way of controlling it after it's set up, and planning for those expenses for the homeowner that we're building for. It would be very helpful to start seeing ways of doing land divisions, especially within some of this empty commercial and office spaces that is ripe for adaptive reuse. It would be great if we could find some ways to start splitting that up for housing that is middle income.

Sarah Radcliffe was interested to hear about the challenges around infill vs greenfield middle housing development. One idea that sounded good to me was Proud Ground a few years ago. They worked with the catalytic land cohort to look at the concept of regional land banking where TriMet, PPS, cities, counties, private landowners, anybody who owns land could put their land into a regional bank that would hold the land and potentially even make some initial investments to get it shovel ready if funding was available to do that and then make that land available on a competitive basis to housing developers, particularly affordable housing developers. Is that an idea that has circulated or that you think has any traction or might be useful?

Anna Slatinsky noted since we're talking about HB2001 and building middle housing, I think we're probably coming at it more from a regulatory perspective. I don't think there's anything in the middle housing regulatory aspect that would impede or interfere with that. I don't know if we would want to use zoning as a tool to incentivize it either. It's a fascinating concept but I don't know whether there's a regulatory dimension to that, at least on the zoning and land use side. Chair Kehe added Metro runs a transit-oriented development program that purchases land. This will certainly be looked into.

Brett Morgan noted this was a really good presentation with lots there to pull out. I put something in the chat related to Sarah's comment on housing conversion as a huge opportunity to be had and looking at strip malls, especially because they exist along orphan highways and existing transit networks. I think when we think of conversion of existing space, we tend to think of big box office spaces. But there's a lot of scalabilities here to think about. I'm curious if more could be added on how system development charges infill and come together in relation to the cost to develop. So when a housing unit is developed one thing we're very focused on here at 1000 Friends is keeping the total amount of infrastructure hook ups needed to bring that housing online low, in order to keep the cost per door low. In what ways are you able to expand or improve upon or utilize your existing infrastructure networks? What are some of the bottlenecks you might be running into in terms of infrastructure? Maybe there's sewer issues, water issues? It looks so different in every community.

Vera Kalias noted talking about SDCs, all our development is infill for the most part. For us, SDCs predominately are actually where a pass through for county SDC parks and wastewater treatment. So it's not pipes in the ground, it's the treatment of the wastewater. The parks fee is for maintaining parkland that presumably each of the dwelling units will be using that infrastructure and helping maintain that. Other communities that have more greenfield type of development probably have different answers.

Anna Slatinsky noted on the SDC issue I would point people who haven't seen it to the ECO Northwest report on SDC that they did for the state two years ago. It does a good job summarizing the predicament of infrastructure funding in the state of Oregon with regard to limited revenue streams for growth and a bit of diagnosis of SDC information.

A number of questions have come up around HOAs and I want to note the use of HOAs in order to govern new development when it comes to either middle housing or other kinds of development. The state actually has some requirements for those CCNRs that would be created with HOAs to make sure that they're not allowed to prohibit middle housing to be built on property within the HOA. However, existing HOAs often include these prohibitions on developing more than one home per lot. Oregon state law, the constitution in fact, is very protective of private contracts the CCNRs fall under. There's very little a city or even the state at this point can do to supersede those agreements in the form of CCNRs. These are two issues, HOA and CCNRs, but people should be aware that the development of

middle housing in a lot of existing neighborhoods, especially in the suburbs, will be constrained by these existing CCNRs. And in order to change or remove those it's really a private effort that would have to happen among the property owners that own property within that area that is governed by those private agreements. To my knowledge no one has identified an approach which would be legal in the state of Oregon for a city to essentially say to ignore the CCNR and we'll allow you to build middle housing in whatever way.

Chair Kehe asked if anyone wanted to comment on the propensity for townhouses and the concern of either the inability of developers to do plexes or a reluctance for developers for them.

Miranda Bateschell noted the majority of what we're seeing is what is the comfort of the existing market, what are the developers used to building, what's in their portfolio, what easier to finance, what is something that is seen as being more traditional and market ready. There's a lot of hesitation in terms of what we've heard about, is there a market for people who want to buy these units. And a lot of those plexes are built as condos which include issues with insurance financing. With all these issues developers are just not interested.

When we talk to developers about there's going to be a requirement for middle housing, it's all the types that are going to require conization essentially. If they can do a de-clustered cluster, and then do the middle housing land division, so essentially just create smaller single family detached, they're willing to do that. They're willing to do the town homes, they're willing to ADUs. But when it comes to being in a quad, a stacked quad as one of the housing types as I bought it that was a condo. Those are things that the market right now, developers are not wanting to produce especially not in the suburbs. I think from my perspective, if we want to see more of those unit types or seeing some cottage clusters where they aren't subdivided through a middle housing land division, we want to see those housing unit types built, then we do have to solve the issues around conization in Oregon.

Morgan Tracy noted we don't require an HOA; I don't think the middle housing land division enables us to require that. But we are seeing some units of the developers will opt to build them as condos vs trying to divide them. I guess it would be an even split. There was a comment about construction defect liability or litigation and some of the builders in Portland I've talked to, it is certainly a real thing for larger condo developments. In the greenfield areas where you have production builders build a number of condo units they are certainly sitting out there with some risk if it's a discreet fourplex here or discreet fourplex there. I think it's less so because there's a smaller target on your back and your pockets are not as deep as some of those production builders. I'm not sure how much of a dis-persuasion that is at least in terms of the discreet infill one-off projects that are happening in Portland. We have had some developers who have done things in PDX and said, well, that works in Portland, but it's not going to work in Wilsonville. Part of it is also because you're working on different kinds of development with different factors and risks.

Joseph Edge thanked the panelists for their presentations and participation.

*There was a 10-minute meeting break.*

**2024 Urban Growth Management decision: draft regional population, household, and employment forecast** (Ted Reid/ Dennis Yee/ Josh Harwood, Metro) Chair Kehe began the presentation with an overview of the purpose of the Urban Growth Management decision and project timeline, noting that MTAC will be reviewing the draft report this summer with recommendation to MTAC in August.

The report and decision context were provided by Ted Reid noting this is a forecast, not a plan, the forecast is updated every 6 years, there will be multiple peer review moments, and projections are not the only factor in the UGM decision; we will return to discuss readiness and capacity. The reason for providing the forecast as a range with results/projections was due to uncertainty with population migration rates, including climate-induced migration, macroeconomic conditions, global events, and innovations that can't be forecasted, but that impact employment (e.g., potential impacts of AI on different sectors).

Demographic information and graphs were presented by Dennis Yee. This included MSA fertility and mortality assumptions, natural change (births minus deaths) with declining birth rates the biggest factor that make this forecast different than past forecasts, and net migration with factors of expected quality of life to continue attracting migrants, affordability and cost of living and possible climate refugees. Josh Harwood added information on the increasing diversity of the population forecast.

Data was presented on employment forecasts and labor force participation including sector specific forecasts. Main takeaways from the forecast included:

The long-term trend of declining birth rates will lead to slower population growth rates.

Employment growth will slow because of declining population growth rates.

More information on the forecast was provided in the meeting packet.

Comments from the committee:

Tom Armstrong noted he was one of those that questions the warehouse and distribution declining. I'm interested to see what you have. It's not consistent with the 10-year forecast coming out of the Oregon Employment Department which shows a continued robust growth there. There's a little bit of mismatch with that sector. I'm especially concerned what it means for the region if we get it wrong and that we're not planning for enough industrial land capacity in the region because that means we're going to see sprawl to other areas and what that means for our transportation system.

Josh Harwood noted his guess is that the population forecast will drive a lot of those in the model. Mr. Yee added the forecast at the national level is declining. The warehouse transportation sector and our regional economic model is synced with that with the assumptions in the macro forecast. The Oregon Employment Department (OEA) 10-year forecast continued to see growth expanding in manufacturing. I'm not sure why that is because if they are using a similar macro forecast, they're obviously contrary to one of the top forecasters in the nation. I will be taking a closer look. The OEA forecast noted as the state economic forecast, different from the finance forecasters for the state, was shared in chat: <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0324.pdf> Their forecast has some minor decline holding steady so maybe they are similar to the OEA forecast.

Jerry Johnson noted in the chat employment density for traditional warehouse/distribution is relatively low, but it is actually pretty high for fulfillment centers. Tom Armstrong added a follow-up to Jerry's question: historically the Metro region has grown faster than Oregon and the nation. What are your capture rate assumptions in terms of the region vs. state?

Jerry Johnson was interested with the demographic forecast. Are we basically conceding at this point that we are not a major net in migration destination? We've had negative natural growth for a while. But we have benefitted from basically well-educated people quite often migrating into the area. I worry about us taking a low growth forecast and that becoming a logical issue where we can't accommodate for growth because we don't expect growth, therefore we can't get growth.

Mr. Yee noted that historically we have seen the natural change figure go up until through 2030. It's just now declining. We've seen since the great recession a steep fall off in births compared to deaths. It's just the state of affairs, not only here in this region but nationally and statewide. If we look from 1960 to today, about a third of population growth owes to that natural increase and about two thirds to net migration going forward from 2024-2045. If you sum up all those years that I'm projecting, there's only a sliver that owes to net migration, but it is a little bit positive, not enough to warrant saying that it's on that migration going forwards.

Mr. Harwood added this highlight a little bit of the tension here. This isn't what's planned, so we don't want to say that this is what we want to happen. But given the tea leaves and where we are right now it seems like a reasonable outcome. That's something to just recognize that this is not the plan, but I understand the feedback loop that you're highlighting. Mr. Lee noted the net migration is not far from being negative, it's positive. The historical average is about 15K. And that's pretty much what I'm forecasting for the region going forward. So it's not that from a migration standpoint I'm being negative. I just don't have the huge spikes nor the huge negatives because I'm not forecasting a business cycle plain and simple.

Dan Rutzick asked if you could highlight maybe two or three major differences between the Urban Growth Report 2018 and the current one. The current UGR is not there yet, but with some of the matrices, what are some of the big changes that were in that space of 2018, 2019, 2020, and now we are 2024 and quite different. Mr. Yee asked is it the UGR or the regional forecast that leads into the URG? Mr. Rutzick noted the regional forecast that leads into the UGR.

It was noted there's a big sea change in projected outlook for population that has a downshift effect on labor force supply. Then you can't have more demand than supply in this case unless especially if we're seeing labor force participation rates already topped out. That in a nutshell is what I'm seeing. The mix of jobs is a bit different. I think in the last forecast I had manufacturing jobs actually grow a little bit more just because I had a couple of sectors where I was a bit more optimistic with about in the 2015-18 timeframe. Just generally, thinking that even the service sector is not as robust in terms of year over year annual growth rate because we don't have a much population to fuel that kind of non-manufacturing sector growth.

Mr. Rutzick noted one topic that came up during last week's LUTAG (Land Use Technical Advisory Group) meeting was the mix between residential employment and the mixed-use zones has maybe shifted quite a bit because of where we are with retail commercial right now. Something came up last week that Metro is following up on, what local governments feel is appropriate split of residential vs residential commercial, residential vs employment in those mixed-use zones. The slide shown last week involves a lot of outer ring cities looking at 95% residential, 5% employment. We're still working through some of those details because it's trying to get at where we are going to be 10 years, 20 years out, vs where we are today. Mr. Yee added that's more of a UGR topic. Everything is affiliated in some fashion to the regional forecast because that's where on the demand side it starts. And then when you think about the UGR where we're doing a gap analysis, final demand, is a mix of trying to figure out what's our demand and what's our supply, and where the two meet is final demand.

Carol Chesarek asked one question about the warehouse issue. I've been hearing for a long time that the number of employees needed to run a new warehouse is shrinking as automation grows. I'm wondering if there's issue there between changes in employment vs need for warehouses and how you go for it. How is the forecast for the acreage needed for new warehousing separated somehow from

the employment? Because I think that would maybe be a concern if employment for warehousing is forecasted too low, so we don't pick up the acres needed. A second question was asked. I know the Governor wants to build a large number of new homes above what we've been building over the next 10 years. Do we need to add more employees or import them from somewhere else to meet that need? And if so, how many extra construction people would we need to add to meet that?

Mr. Yee noted that the construction question was factored in already. We know that nationwide there's a shortage of production everywhere. Not just here in the MAS, and I think the macro forecast from our advisor may have some of that factored into the construction forecast. I know you don't have my regional forecast before you, but that's one of the sectors in the particularly non-manufacturing that is one of our top growers, construction jobs. So to that extent, at least from a forecast standpoint, whether a forecast becomes reality is actually the next step.

The second question about productivity in the transportation warehousing sector is well informed because we have seen that tension grow, and we've had lively debates on this topic in past urban growth reports, and there is a separation between this jobs and land demand, or land need. Because we first start with the forecast on the employment in those sectors, and it's kind of converted with either a jobs per acre or square foot per employee combined with an FAR to get at that. We're now bordering into what we're assuming in the UGR land need for jobs. In past URG it's been argued that we should anticipate the industrial land need for warehousing to actually do down because the notion called for high stacking. While that hasn't really been the case so much here in the Portland area we've seen really high roofs. With increased automation we'll likely see them needing more flat ground and moving around on rails more, and more land area demand. They will need to be near transportation corridors for efficiency.

Tom Bouillion noted one of the things heard was that retail is projected to decline. I assume that's a brick and mortar. I think of that as a direct relationship to transportation warehousing, particularly e-commerce. It'd be helpful to understand that relationship also to the previous comment based on industrial parks that the Port of Portland's developed. I think we've seen things like fulfillment centers with a lot of automation that might have up to 2,000 employees on a site that's a little bit under 50 acres. Conversely, we've seen similarly sized lots with maybe 50 employees. In the world of warehousing, you can see a number of different types of models. I just wanted to make that point.

Mr. Yee noted warehousing is undergoing and will continue undergoing in the next decade, a transition to how we right size itself. That includes warehousing, the transportation infrastructure, trucks, rails, ships, etc. Some big changes for a host of reasons why this forecast is not set in stone. Either I misspoke or something, but I've got retail jobs in the region long term for 20 years actually growing bigger than what it is today. We do see a little bit of right sizing in the next few years as we play out the current business cycle.

Glen Bolen thought back 20 years ago when you predicted where we are today in housing costs, you were pretty close. Looking at your PA in the packet, looking at what I'm seeing as a drop in export industries, changes in migration couple with tax policy that's been in the news a lot. What are your thoughts on implications for housing price points in the future and government agencies abilities to handle O&M budgets with potential changes to those sections as well?

Mr. Lee noted the first time I did a forecast for Metro was the 1994 URR. In that forecast I forecasted out to year 2020 for population. The difference between that forecast and the current 2020 census

number is a whopping 25,000 difference. I was wrong by 25,000 people but not too shabby. In terms of home prices, I don't directly forecast them in the regional forecast. Our land use model, Metro Scope, does indeed forecast an index of housing prices on a nominal basis. The last one we did for the last UGRI I believe had prices roughly rising about 250% from that historical value. That's without HB2001, 2003, new planning things that attempt to bring more supply. Bottom line is our ability to produce production on the supply side likely projected to be out paced, so demand will outpace our supply.

**Adjournment**

There being no further business, meeting was adjourned by Chair Kehe at 12:02 p.m.

Respectfully submitted,



Marie Miller, MTAC Recorder

Attachments to the Public Record, MTAC meeting February 21, 2024

Item	DOCUMENT TYPE	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1	Agenda	2/21/2024	2/21/2024 MTAC Meeting Agenda	022124M-01
2	MTAC Work Program	2/9/2024	MTAC Work Program as of 2/9/2024	022124M-02
3	Memo	2/8/2024	To: MTAC and interested parties From: Eryn Deeming Kehe, MTAC Chair RE: Results from online survey about future in-person meetings	022124M-03
4	Minutes	1/17/2024	Draft minutes from MTAC January 17, 2024 meeting	022124M-04
5	Report	N/A	2024-2044 regional population, household, and employment forecast: Expert panel review summary	022124M-05
6	Presentation	2/21/2024	Middle Housing Panel	022124M-06
7	Presentation	2/21/2024	Urban growth management update: Regional forecast	022124M-07