

Urban Growth Report Roundtable

January 12, 2024

Meeting Notes

By Georgia Langer, Council Office Support Intern

Introduction

- Introductions- folks shared their name and role.
- Staff shared the meeting process for this virtual meeting.
- Staff discussed that they are going to discuss aspects of the demand side which relates to how much room they have in the UGB.
- Josh Harwood introduced the panel for today's meeting.

Presentation 1: PSU Population Research Center (Neal Marquez)

Presentation Summary:

Marquez shared where and how they forecast and shared that Oregon's population has continued to grow. Birth rates have declined, and deaths have continued to increase, while migration has slowed. Oregon has a median age of about 40. They expect more diversification moving forward and for the trends to generally stay the same in the future.

Presentation 2: Josh Lehner, Oregon Office of Economic Analysis

Presentation Summary:

Lehner shared that there is good news for the short-term economic outlook. Discussed post-pandemic economic growth across states. Oregon slowed in job growth, which was like other states, but increased in productivity, more than other states. Shared that the labor market is strong and tight. Noted that population growth is ultimately slowly returning. Also stated that the current demographics are great, and that millennials make up most of the population. He also stated that Oregon has historically underbuilt housing, housing formation boomed during the pandemic. He shared the Oregon Housing Needs Analysis (OHNA) metrics as well. Discussed the federal investment in the CHIP act and investments on semiconductors are a big deal for job growth.

Panelist response: Tom Potiowsky, PSU

Potiowsky discussed how working from home has had a huge increase in popularity, which has posed the question that office spaces are becoming vacant. He shared that it is a slow growth going forward. He also stated that it will be a different environment going forward now that the pandemic is in a new stage.

Panelist response: Amy VanderVliet, Oregon Employment Department

VanderVliet discussed that they are assuming continued population growth, and if that continues, their forecasts will also change. Noted that they have an eye on broadcasts from the

other presenters which will help inform their forecasts. She shared that the forecasts they have do not differ too much from the other panelists. From 2022 to 2023, they are anticipating 12% job growth, which is about 127,000 jobs, and they expect all industries to grow. Some of the growth will happen due to recovery from the pandemic, but a large part of the growth is in expansion.

Panelist response: Tyler Bump, EcoNW

Shared that similar areas in the west are forecasting similar trends for population growth. They are seeing some pauses on sites that had previously made sense 6-9 months ago, and the pipeline of projects are slowing due to that. Bump shared that the capital availability piece that is impacting interest rates is a reason for this.

Panelist response: Ethan Sharygin, PSU

Sharygin noted that they are in a position where they are trying to make a prediction on the next 5 and 10 years without a clear picture on what has happened in the last 2 and 3 years. They do not have all the data they need because it usually takes at least 18 months to get adequate data. The strongest predictor for migration is looking at markets that have a similar employment structure like Seattle. He shared that migration to and from Portland is not the same as the whole region, which is a little trickier to forecast, and Seattle comparisons do not hold as well. He also added that they have a larger than ever share of under 18 population that is more diverse than previous age groups, so we should expect diversification to continue.

Roundtable Discussion and Q&A

The staff opened the discussion to roundtable participants, inviting them to ask questions about the presentations and other questions and comments they may have regarding the UGB.

Question and Comment:

Elizabeth Mazzara Myers discussed the Oregonian article regarding employment department numbers, asking if manufacturing is having a more depressed growth than hospitality and service. She asked, "if that is the case, is that a policy decision?". She also noted that the middle class does not grow with service industry jobs. Shared concern about where everyone will work, and sending everyone to service industry jobs is not the answer.

Response:

Amy VanderVliet noted that manufacturing is a typically slow growing sector and the fact that it is a 7% or 8% job growth rate is fairly good. The 8% is about 8,500 jobs. She agreed that they are better paying jobs, but at least more jobs are being created.

Response:

Tyler Bump stated that the hospitality sector is recovering from COVID at a faster rate than other industries, which is likely due to simply where they are in the recovery sector. In relation to other industries, manufacturing is not doing as well as other.

Comment:

Elizabeth Mazzara Myers shared concern about manufacturing not having a large enough increase in job growth.

Response:

Josh Lehner responded that they did not forecast many growths in manufacturing, and that it peaked in 1990. Only 1/3 of manufacturing jobs are actual manufacturing jobs, whereas 2/3 are office jobs drivers, or other jobs that aren't directly manufacturing.

Comment:

In the Great Recession, job recovery occurred better than in other areas, and the same thing happened in our most recent recession due to the pandemic.

Comment:

Catherine Ciarlo asked if there are any insights about where optimism helps them and where they should focus their optimism to get the most impact.

Question:

Jeff Stone, OR Assn of Nurseries, asked about the median age being 40 in the region. If there is a shift towards more service jobs, what will the housing balance look like? What will they be able to afford? He requested a needs analysis.

Response:

Josh Harwood noted that the cost of housing is a big driver in the migration factor. Housing prices are increasing faster than incomes can support, and that is likely a negative impact. In California, a standard of living that folks think they can achieve is no longer attainable. This could be happening in the Portland Metro as well. He shared that the metro built on a migration of wealth.

Response:

Josh Lehner noted that service industry-based economies do have high paying jobs, but there are other hospitality jobs that are low paying jobs. He shared that housing crisis data shows in the data by finding if children are living with their parents as adults, or if they have many roommates.

Question:

Jeff Stone asked about non-farm labor supply and farm employment. He asked what the true rate is for unemployment rates. Is it FTE based? What about people who stopped looking? Do you do the net data?

Question:

Justin Wood shared that middle housing is likely going to happen more. He shared people likely will not be able to park at their sites, at the street etc. and asked how people will feel about that.

Response:

Tyler Bump added that those middle housing types are becoming available, and they are a

tradeoff relative to affordability. Some of these houses are more affordable in relation to the neighbor's housing. The question is how much housing we can build in those housing types.

Question:

CNE Corbin asked about climate change refugees and political refugees within the United States. Political refugees include people seeking reproductive services that are not available in other areas and asked about housing and migration to the area. Asked about emerging trends for housing and migration in the immediate future.

Response:

Josh Harwood added that this is a new topic and they have wrestled a lot with whether the numbers will change due to this.

Response:

Tom Potiowsky noted that people have started to discuss climate change needs and whether they will see climate change refugees in this area. He added that as we fight climate change, it is costly, and pollution policies will be costly, which is slow down to businesses.

Response:

Ethan Sharygin noted that they may not be better off in terms of climate than in other regions. Housing costs in Arizona, Texas, Florida, do not relate to the immediacy of climate change. He added that places that are prone to sea level rise and flooding are experiencing population growths, and when emergencies happen, people do short-distance moves. He added that people will be adding air conditioners rather than thinking about moving.

Response:

Neal Marquez noted the Oregon Wildfire risk assessment and how people have left due to fire damage or risk of fire damage. In terms of access to reproductive healthcare, we do not have the best instruments to track this, and a lot of these moves are temporary moves rather than long-term state moves.

Comment and Question:

Tristan Penn discussed the growing non-white population. He asked what we are doing to address the barriers for that growing population of non-white folks coming to the metro in terms of access to education, access to high paying jobs, and other needs. Noted how hard it was as a Black Navajo man, to buy a home here.

Response:

Neal Marquez shared that the race and ethnicity component is relatively new and was incorporated with the Oregon Housing Needs Analysis. He noted that he would like more detailed data, but they are unable to track the population by this migration and that there is a lot of heterogeneity within the Black, Hispanic, Asian and Pacific Islander populations. He noted that the median age for white people is a lot higher than the median age for Black and Hispanic people in the region. He also noted that in terms of housing needs, different groups have very

different needs, and they need to address that.

Response:

Ethan Sharygin discussed that there is a growing population of Black people in this region.

Response:

Tyler Bump shared that income growth is occurring across all race and ethnicity categories, but white household income is growing disproportionately faster. He added that this is a very important part of affordability and that communities of color need greater access due to the racist policies that have historically been present.

Comment:

Catherine Ciarlo discussed workforce development and housing as wealth creation, and matching of housing types to changing demographics, as well as climate resiliency.

Question and Comment:

Duncan Wyse asked about looking and shaping trends. What levers would change conditions in terms of population growth? Manufacturers say it is hard to do business in this region. Housing affordability would shape the population as well. What are the levers that we have control of? What is the role of the economist in doing scenario planning?

Response:

Josh Harwood noted that this is a difficult discussion and one that they grapple with a lot.

Response:

Josh Lehner noted that it is a fair point and in the semiconductor industry, they hadn't seen any increase, but then suddenly, they are seeing it due to federal funds and other factors that create an increase in the semiconductor industries. If things like this were to happen, you need to be able to accommodate it, which is why scenario planning is important. He also noted that housing is often a baseline of migration, as well as opportunities for families in general, relating to tax policies, reproductive access, climate, and other things. He added that you need to make the region look attractive in so many ways and it depends on family priorities.

Question:

Mayor Lisa Batey stated that she would like her council and fellow mayors to see this discussion, and asked if this discussion could be shared.

Response:

Catherine Ciarlo responded that she will get back to Mayor Batey on that.

Question:

Sam Diaz asked if Metro would want to put conditions on the report. An example of a condition would be Metro saying that for industrial jobs, there is a condition that it needs to be for high quality jobs, or that land for the UBG swap would be for affordable housing.

Response:

Catherine Ciarlo noted that they are not there yet, and that is something that they will be talking to everyone about.

Response:

Marissa Madrigal responded that they can, but they need to determine if they should and will do that.

Closing Notes

The next meeting is in February, and in that meeting, they will talk about the regional forecast.

Staff thanked everyone for the panel discussion.