

# UGB Rules Advisory Committee

## Meeting Notes

### 3<sup>rd</sup> Meeting, 4/17/2014

The Urban Growth Boundary Rules Advisory Committee met on April 17 in Salem (but also using Zoom to provide for remote attendance, Zoom attendees (or on the phone) indicated by\*)

**Attendees:** Marilyn Worrix (Chair), Jim Rue (DLCD Director), Erin Doyle, Gil Kelley, John VanLandingham, Stephan Lashbrook, Mary Kyle McCurdy, Pam Barlow-Lind, Peggy Lynch, Shaun Jillions; Alissa Hansen\*, Christe White\*, Terry Moore\*, Damian Syrnyk\*, Nick Lelack\*, Jeff Condit\*, Jason Jurjevich.\*

State Agencies: Gail Krumenauer (OED), Jim Johnson (ODA), Kim Travis (OHCD).

Staff: Carrie MacLaren, Bob Rindy, Gordon Howard, Rob Hallyburton, Casaria Taylor.

Also attending: Jim Hendrix (City of Woodburn), Brandon Reich (Marion County).

#### Handouts:

- A. Research Proposal (University of Oregon), including cover memo
- B. Employment Projections Information from OED (2 Items)
- C. Ideas for Logic Paths
- D. Tentative Long Term Rulemaking Schedule
- E. Proposed 2015 DLCD legislation to repair drafting error in HB 2254

**Item 1: Introduction.** Marilyn Worrix welcomed the group; members and guests introduced themselves

**Item 2: Status Update on implementation of PSU Population Forecasting (HB 2253).** Jason Jurjevich provided an update regarding the work of PSU's Population Forecasting Center to propose draft administrative rules for PSU to adopt and use in issuing forecasts. PSU is nearly finished with the draft and the university will be holding formal hearings to adopt the rules about June. Jason explained some of the details of the process, including the proposed timing for issuing forecasts statewide over the next four years. The committee also discussed the challenge process for the population forecasts. The forecasts issued by PSU are not a land use decision that may be appealed to LUBA.

Bob announced that DLCD will soon be starting a similar administrative rules advisory committee (RAC) in order to propose LCDC administrative rules on population forecasting, as required by HB 2253. In March LCDC appointed an advisory committee that is essentially the same group as PSU appointed for its rules (with a couple of differences). DLCD intends to propose rules for LCDC adoption, based on the RAC input, in early fall.

**Item 3: Research regarding Factors for determining Land Need.** Bob Rindy explained that this item has two parts. First, as an introduction to the second part, the staff will discuss the basic methods or "paths" for determining land need, both for housing and employment land. Second is a presentation of a research project proposed by University of Oregon in response to a request from DLCD, to help inform

the methodology and find ways to simplify the “need” determination. The first part of this item (“paths”) is intended to give the committee some context to evaluate the research proposal.

#### a. Outline of Basic Logic Paths

Bob Rindy described the handouts, showing two sets of methods or “logic paths” for determining land need, i.e., “the demand” part of the UGB process; one regarding housing need and another concerning employment need. Bob indicated we would discuss the employment land logic paths after the presentation by OED in Item 4 of this agenda.

With regard to Housing need, Bob described this as a common, traditional method for determining land need for Residential Use. It begins with a population forecast issued by PSU that is converted into an estimate of number of households for the (new) 14-year planning period. Based on that estimate, and likely on some other (state or local?) research, the method would require a local government to estimate the number of total housing units needed in year 14 to accommodate the forecasted population. This includes an estimate of the needed single family/multi-family housing mix for the planning period. The mix estimate should include at least the following details:

- SF – Attached and Detached, with density ranges (e.g., low/medium/high)
- MF = Duplex, Medium Density, High density, Accessory DUs. (Ownership?)

The city would then determine the acreage that each of these housing types typically occupies and then estimate a total amount of land needed for residential land (total and for each housing type). In subsequent steps the city would subtract existing housing units and examine buildable land already in the UGB. Based on this, it may determine that buildable land already in the UGB is enough to accommodate all the need estimated, in which case the city would not consider amendments to the UGB, or it may determine that an expansion of the UGB is necessary.

Christe White asked about land efficiency and increasing land efficiency and suggested we might try and find a way to project “persons per acre” as a way to more directly get to the efficiency questions as we construct these paths.

Bob Rindy then gave a preview of employment paths. His handout suggested four possible paths:

#### Example A: Ratio of Population to Employment Land

1. Population forecast for 14 year planning period, issued by PSU
2. Research determines past and current ratio, for typical city in the region, of Population to Employment land (by sectors?).
3. Determine trends of such ratio (Informed by research).
4. Estimate 14-year land needed for employment (by type?).

#### Example B: Ratio of Residential land to Employment Land

1. Determine 14-year Residential Land Need using Residential Logic Path (see previous slide)

2. Research determines “typical” ratio of Residential Land to Employment land in the region (by sector?)
3. Estimate industrial land need.

Example C: Job forecast based on population and age cohorts

1. Use PSU forecast of population and age cohorts, determine the “workforce” in the city (or region?) during the 14 year planning period
2. Determine a jobs-forecast for the 14-year period based on step 1 (and based on research)
3. Using a method similar to that described in Employment Forecast Path below, project land need.

Example D: Job Forecast based on OED long term employment forecast

- 1: Extrapolate the most recent OED Employment Forecast linearly to provide a regional 14-year forecast.
- 2: convert regional forecast to the individual city forecast (cumulative or by employment sector)
  - Determine the city’s share of the base year employment share.
  - Determine the city’s share of growth in the region since that base year.
  - Weight these two determinations.
- 3: Convert jobs forecast to a forecast for land need (Based on a research of “typical employee density” for various employment sectors or for building types typical to those sectors (a simple “look up table”))

Bob indicated that we will get into detail about the pros and cons in a later meeting but for right now it is important to think about paths as we continue our discussion (next) of the research DLCD is proposing, because we want to make sure we are researching everything we might need to help us reach a conclusion on the paths. Bob indicated that while we will stop here with the paths, for now, he will be sending the group a “homework assignment” so that each of the committee members may look in more detail at the proposed paths in the handout and indicate to the staff and committee whether there are: Steps or information we missed; Steps that could be skipped because they have no meaningful impact on the outcome or streamlined by state research, look-up-tables; whether the level of detail is correct and whether that level of detail should change for a small city v. large city; Also the time or stage at which “ranges” should be included (e.g., only at the end, or earlier), and finally; whether we should think big about some other path that isn’t represented.

b. Presentation of research proposals by UO

Bob Parker and Rebecca Lewis from the University of Oregon presented their proposal (see handouts) for research that had been generally described in earlier meetings of the committee, i.e., research necessary in order to help us streamline the “land need determination” policy for the new UGB process. It was noted that HB 2254 requires that factors used to convert population and employment growth into land need must, among other factors, “be based on an empirical evaluation of the relation between population and employment growth and the rate and trends of land utilization in the recent past in the applicable major region of the state.” Based upon this provision of the law, DLCD staff has identified two research tasks; 1) determination of the historical rate of land efficiency and land consumption by region; and 2) determination of past employment growth rates/trends of land utilization by region.

Staff noted that two of the research needs the department had identified in its initial scan of policy work needed for this project, described in a previous documents discussed by the committee, the “List of Policy and Research Tasks Necessary for New UGB Rules.” It was explained that such an empirical evaluation requires research, for which DLCD staff has consulted with University of Oregon faculty (Bob Parker, Rebecca Lewis, and Ken Kato). Staff also consulted with Terry Moore, who is an adjunct faculty member at the University of Oregon as well as Planning Director at EcoNorthwest. There was discussion of the research project by the committee.

#### **Item 4: Factors for determining Employment Need using Oregon Employment Department’s Long-range Employment Forecast**

This item had two subcategories, which were generally discussed together by the committee:

- a. Presentation by Oregon Employment Department regarding employment forecasts, and
- b. Employment Logic Paths

Gail Krumenauer provided the group with a primer on the Department of Employment’s long range forecasting process. She had previously sent the most recent long range forecasts. She noted that the forecasts are by categories. The process is being changed to follow a (Utah) new model for such forecasts, currently 10 years but in the future 8 years (the Employment Department creates long-term employment forecasts as a requirement for the federal Department of Labor). It will be difficult to extrapolate to a 14 year forecast such that the ODE would not do that (but the UGB rules could provide a method). The forecast is for OED regions and so needs to be converted to individual city forecast. However, the forecasts tend to reflect the larger employment centers in particular regions and are less reliable for smaller cities that are some distance from the larger employment centers. Looking back, the Employment Department forecasts have tended to be very optimistic when compared to actual employment. Gail explained some of the reasons for this. The group discussed each of these issues.

Gil Kelley: there are some dilemmas: improved vs unimproved land, mixed use, people per acre v. units per acre, and the scale of jurisdictional boundary v. employment. Thinking about trending issues – even align traditional office employment, a lot higher density/seeing is virtually doable.

Mary Kyle: Infrastructure can increase capacity. Rolling up – get to a point of comfort that good enough; formula and reasonable range; emphasize person per acre; improved v. unimproved – clear definition (might vary by size of city). What about employer – one that change in retail – ex. Regional retail.

Christie White: most accurate variables “just trying to get good enough”. Wrapping to complexity.

Bob Parker: it is easier to sample on a county basis than a jurisdiction basis. The group could determine what could be adequate coverage.

Terry Moore: suggests sampling, working with large numbers, then categorizing is a good idea. It will result in ranges.

Carrie, summarizing, our objective is simplification, which includes

- a. State data and state effort to save local cost and effort

- b. Needs to be defensible
- c. Strong embedded research
- d. Must be effective – can't do everything
- e. Re data, thinking about sampling

#### **Item 5: Other business**

##### a. Policy and Research

Carrie indicated the department is looking ahead to additional research projects, especially a task to determine significant changes “occurring or expected to occur” in the markets for urban land uses in the major regions of the state. This will likely include a “literature review”, and is necessary for the “land need determination” policy for the new UGB process

##### b. Long term rulemaking schedule

Bob provided a projected timeline for the rulemaking project. He indicated that this was based on the original timeline handed out, but has been updated and has been adjusted to project RAC meetings every other month. He noted that the 2015 legislative session is grayed out in this, we should anticipate that our work will slow way down due to that session. Our next RAC meeting would be in July, with the third Thursday being July 17.

##### c. Technical Discussion Groups

Carrie indicated that the department will continue to work with committee members and other experts in order to advance topics prior to RAC meetings on those topics. In most cases these would NOT be formal workgroups or subcommittees. They will be established on an ad hoc basis to learn and gather information so that the department can provide better information to formal subcommittees and the RAC. Such groups will NOT be making recommendations; their work is simply informational. From time to time, the department may ask for recommendations of technical experts but that would be worked through the advisory committee.

##### d. Proposal for legislation to repair drafting errors in HB 2254

The department is moving ahead with proposed 2015 legislation, including a proposal to fix the drafting error in HB 2254. A handout was provided showing DLCDC's suggested change to the law for this purpose.

The meeting adjourned at 4:10 PM.

Agenda:

1. Welcome and Introductions (1:00pm)
2. Update re PSU forecasting – Jason Jurjevich (1:10)
3. Factors for determining Housing, employment and other land need based on PSU pop forecast
  - Outline of Basic Logic Path (discussion) (1:20)
  - Presentation of research proposals by UO (1:40)
  - Discussion and Input (2:10)
4. *Break – 10 minutes*
5. Factors for determining Employment Need using OED forecast
  - Presentation by Oregon Employment Department regarding employment forecasts (2:40)
  - Outline of Possible Logic Path; Discussion (3:10)
6. Other business (3:40)
  - a. Policy and Research
  - b. Long term rulemaking schedule
  - c. Technical working groups
  - d. Proposal for legislation to repair drafting errors in HB 2254
7. Adjournment (4:00pm)