

# UGB Rules Advisory Committee

## Meeting Notes

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### 4<sup>th</sup> Meeting 8/15/2014

The Urban Growth Boundary Rules Advisory Committee met on August 15 in Salem (but also using Zoom to provide for remote attendance, Zoom attendees indicated below by\*)

#### **Attendees:**

RAC: Marilyn Worrix (Chair), Erin Doyle, Gil Kelley, Pam Barlow-Lind, Peggy Lynch, Alissa Hansen, Christe White, Terry Moore, Steve Faust, Jeff Condit, Damian Syrnnyk\*, Dick Benner\*, Mia Nelson\*.

State Agencies: Jim Johnson (ODA), Kim Travis (OHCD), Jerri Bohard (ODOT), Kathy Verble (DSL), Gail Krumenauer (OED), Joy Vaughn (ODFW).

Staff: Jim Rue (DLCD Director), Carrie MacLaren, Bob Rindy, Gordon Howard, Rob Hallyburton, Casaria Taylor.

Also attending: Bob Parker (UofO/ECONorthwest), Rebecca Lewis (UofO), Jim Hendrix (City of Woodburn), Jeannine Rustad (City of Hillsboro).

#### **Handouts:**

- A. Agenda
- B. Research Progress Report Power Point
- C. Discussion Questions regarding Item A
- D. Simplified buildable lands inventories Discussion Questions
- E. Responses to Homework Assignment
- F. Proposed 2015 DLCD legislation to repair drafting error in HB 2254

#### **Agenda:**

1. Introduction
2. U of O Research
3. Question & Answer
4. BLI Introduction
5. Question & Answer
6. Legislation to Repair Drafting Error in HB 2254
7. Wrap-up

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

**Item 2:** U of O Research Update. Bob Parker, Rebecca Lewis, and Terry Moore provided a progress report on their research, providing a Power Point presentation (see Attachment). Bob Parker noted that

this is a distilled version of all the data they have gathered, primarily assessor's data – there is a great deal more data than necessarily described here. Bob pointed out that it is very difficult to get these data from some counties.

Bob Parker indicated that they are at the point where they have piloted this research in Jackson County and Linn County and have determined that this sort of analysis is possible. They have met with a research work group and the department and there is agreement that they should proceed to scale this up and return in September and report to the group, and in October have a draft report.

The research must be seen in context with the “logic paths” that have been presented previously. It is important to see the research in context with that path. The purpose of this research is to gather data that may be used to inform these paths and to complete them. There are many possible “numerators” and “denominators” to indicate current densities. They looked at areas within city limits except land outside UGBs. Can also look at land that is not constrained (constraints include water areas, can include slopes and flood plains). Can look at tax lots and land not in tax lots. Finally, they can break the data down by land uses. Tier 1 = city limits (have data for every city in state outside of Metro). Tier 2 = tax lots, Tier 3 = developed tax lots (i.e., tax lots with improvements. This is based on county assessor's data). Do have data for unincorporated areas inside UGBs.

The data is shown in various bins including by city size and employment, from 2005 and 2012, but also displayed by regions. Slides show density increase by population change (based on the “average of the average”). Shows some areas increasing, but others decreasing. (Noise in the data, will smooth out with more cities included.) Generally density for population and employment increases as population size increases. The highest density is in Southern Or and the Willamette Valley. Also shows employment density for commercial and industrial employment.

Some data presented is with four pilot counties: Linn, Jackson, Baker and Malheur, and over several time frames from 1993 to 2012. It was noted that the overall trend is toward increasing density, although there was a declining density during the downturn beginning in 2008.

Bob Parker stated that the preliminary implications suggest that simplified methods (or logic paths) for UGB determination are indeed possible. They indicate that city size (population) is important and may be the best predictor of need for UGBs. But “region” may be less important and is not a good indicator for methodology. As the study is scaled up to include a broader look statewide, “noise” in the data will be smoothed out.

Some statewide trends were noted. 73% of the growth in 2003 to 2012 went to non-metro cities over 10,000. Cities less than 1,000 are declining in population. Most population growth is happening in Willamette valley or in I-5 corridor.

Bob Parker indicated that his team has some general questions for the RAC to help answer today. First, he would propose to eliminate cities less than 5,000 from the study, since less than 1% of the state's growth is going to these cities. Second, he would suggest eliminating low growth counties (and cities in

them) from the study: Wallowa, Harney, Lake, Sherman, Gilliam, Morrow, Wheeler, Grant. The research should be focused on data that “matters” in terms of this project and for purposes of helping UGB analysis. Since the new rules, by law, are only intended for cities that are growing, the team proposes to eliminate study of those that are not growing.

The team is having difficulty in obtaining data, or in using the data for analysis, from the following counties: Columbia, Crook, Douglas, Jefferson, Lincoln, Polk, Tillamook, Umatilla, Union, Wasco and Yamhill. They also noted that not all counties have sufficient data needed for a “Tier 3 analysis.” Not all counties have a “plex” identifier in their data set, and most counties cannot provide multifamily unit counts. Finally, statewide, they cannot evaluate employment density over time at the developed tax lot level.

In summary, the analysis is well along, and the U of O is set to finalize the participating cities and counties, and indicators, and finish processing the data. Bob Parker summarized the timeline to complete the project by November.

**Item 3: Question & Answer Re Research:** Carrie MacLaren introduced this item as an opportunity for the RAC to ask questions about the research. She indicated that, first, the group should ask clarifying questions about the presentation just completed.

It was asked how to distinguish between counties that don’t have the data vs those that are not making it available except at a high cost. Bob Parker clarified that on the list, for example, Tillamook charges a lot. With Yamhill the team has not quite determined who in the county to contact. Umatilla may not have the information. The data would not be available, except at a very high cost, for the small not-growing counties. Wasco does not have complete info and getting it would require more leg work than seems reasonable. Rebecca indicated other counties where she could use help from the committee or staff in getting data (see bolded cities on power point list).

Damian asked about proposed cities for omission: is the U of O proposal to omit them based on population size and, or is it “or” growth less than 1%? Answer: Both. Second on coding for county data re duplexes, is the problem that the county is not entering the assessor’s data according to state requirements? Answer, yes, there is not consistency across counties on plexes.

Dick Benner asked why the density is getting less for cities in the middle population levels (between 5 and 25 thousand), which show decreasing density over time. Answer: this may be a result of averaging the averages, or may be other issues due to not enough cities in the data yet. Terry clarified how the average of the average works, and why that may add this noise to the data.

Gill asked several questions. Why did density decline during the down turn? Answer, speculation is that it may have to do with “legacy lots.” But there may be other factors; this is a very interesting question and they will continue to pursue. Rebecca noted that total number of lots developed during that time was way down, so indeed this may be due to legacy lots. Terry noted difference between cyclical

variations and long term trends. Gil asked about small sample size of cities over 10,000 concerning data. Bob Parker noted that they will be watching for this effect, but there are some challenges.

Gil suggested that cities just under 10,000 are numerous and could help with sample size. Gil asked about noise in the data re plexes and whether they have ways to remove that. Also asked about in-law units; how do you zero in on that? Answer: Indeed they are still working on ways to improve the data, hopefully sample size will help. Gil asked about mixed use zones. Answer, the assessors property classes don't easily get at this. They can show employment in residential zones but not so easily the other way. Some data sets may have address points which will help determine residences in employment areas. Finally, Gil asked about golf courses and how these large areas might influence the data. Are they extraordinary or typical? Answer: this is an example of the types of questions the research team has been struggling with. Do they treat it as a special category; certainly it is often a commercial use. Terry noted that all cities don't have golf courses. Finally, Gil asked about improved/unimproved lots, how that was trending toward being able to help with redevelopment potential. Carrie noted that this will be a discussion for later re the buildable lands Inventory (BLI) issues.

Christe indicated she noted that the team seemed to find great interest in the 1 to 3 or 1 to 4 factor they were finding under population and residential density. In response, Bob Parker noted that the draft residential land path and possibly the employment path to employment land seem to imply that we should be looking for these sorts of relationships. Part of the reason they are interested in that factor is that it is mentioned in the legislation.

Peggy mentioned that there is an issue in some counties with tax lots that are not buildable. Public uses that are zoned residential rather than public might skew the data. In response, Rebecca indicated that the zoning is different than the property tax code, where such properties are classified as exempt. Bob Parker indicated that zoning data has many other issues. Finally, Peggy asked about second dwellings on the coast, which might skew the data quite a bit. Erin noted that this is an issue in other places, including Bend. Bob Parker indicated that there are some challenges with the data and this is one. He indicated that the data they have are not going to be particularly helpful in answering that question.

Carrie asked the committee how they feel about excluding cities less than 5,000. Jim Johnson agreed, but warning that there may be "politics" in that. Marilyn clarified that we would be excluding the data, not the availability of the UGB path. It was clarified that the U of O team believes this elimination would not have a noticeable effect on the overall data. It was asked would employment growth be important for some of the eliminated cities. Bob noted that the group could indicate counties that are proposed for omission and ask us to research them also. There are some growing cities in some of the excluded counties. Jeff indicated he is comfortable omitting these cities, in part because size seems to be a better predictor than region and there are other similar size cities in the study. Gil agrees with this as well, but suggests that we put in a marker to update/revisit this issue at some reasonable interval. Terry noted that there are many special cases we would like to have data for, but note that the data is very expensive and, for example, Boardman would not be prevented from using the new UGB process simply

because their data was not used in the study. He indicates they don't necessarily need to go to the extra effort because they have a very large data sample of cities this size regardless.

More discussion about counties that are not growing but that contain a growing city, e.g., Boardman. It was suggested that the team might be able to do something to get this data, but not clear at this point. Discussed talking with AOC to help with those counties that are not releasing data, or that want \$ for data. Summarizing, Carrie noted that we seem to have consensus to eliminate those cities and counties where there are data issues. However, she hopes that where we can reasonably add cities in Columbia River gorge that are growing, we should try and get that data. Conclusion, there seems to be consensus here on this - if there are other issues or concerns RAC members should send a message to Gordon Howard. We will have future discussions/thinking re how to deal with issues, for example, golf courses. Erin stated that she thinks we need some more specific regional data, wants to make sure we get that data if possible. Bob Parker indicated that there will be regional data in the final report.

Mia indicated that she has many questions, we don't have time today. After the break it was announced that we would like to amend the agenda in order to spend more time on additional questions in response to the presentation and therefore NOT go into a discussion about the BLI (Agenda Items 4 and 5).

Mia wonders whether it might be a good idea to consider the ultimate role of the data before the U of O does further study. She noted there is extreme variation in job data for cities of similar size. As such, the question about what will we do with the "outliers" is one we should try and answer now rather than later. Some cities will have situations where the method will not be useful. She noted we have talked about a method that anchors a city to its current situation and then applying a push factor. She wants to make sure we are clear whether we are just considering this info as most useful for particular benchmarks or what is it we intend to do with it?

Mia suggested that it appears Tier 1 and Tier 2 are not that useful and should not be pursued for other cities. She recommended that we only focus on Tier 3 data set. But to be maximally useful, the set should be amended so as to exclude a lot more than simply water areas and floodways. The research should mirror the factors that will go into the BLI. Mia suggested that some of the worthwhile metrics to study would include housing mix, looking to see if a reasonable push factor could be determined. Suggested parks, schools and government needs to be accounted for and studied. For employment per acre she hopes the research can pin down this data so we can determine a reasonable benchmark.

Gail Krumenauer indicated two points. First, the state employment forecasts regarding retail are based on population forecasts. As such, we should bear in mind that rather than using the state forecasts for UGB purposes it might make more sense to just use the population forecasts. Second, she noted that she continues to have concerns about using state employment forecasts for industrial land need. She noted that Employment Dept is again reconfiguring the regions and, for example, the region with Bend in it will go all the way from the Columbia down to the California border. As such, data that is used for

such forecasts might be at so broad a regional level that it would not necessarily be useful in predicting need for individual cities such as Bend.

Christe: indicated that she thought the point of the research was to establish ranges. She noted that she wants to make sure that everyone is on the same page that cities are not required to use this process. Also, she is not sure this exercise was designed to determine how cities use parks, etc. It doesn't seem to her the data set was intended to determine that. Finally, she noted that she thinks the data skews because in some random cases cities have recently expanded a UGB so the snapshot of the data picks these up and it's not clear how we correct for that. Rebecca noted that the team is looking at city limits, not UGBs. She noted that the tier 1 and Tier 2 sets also eliminate floodplains and water areas. Bob noted that they can tell the group how much development is occurring in floodplains etc. Mia emphasized that her main point was to make sure the same metrics are being used for both BLI analysis and for this data. It seems that the Tier 3 set most approximates that.

Gil asked how difficult it would be to get density calculations for constrained lands? Bob Parker indicated that there are ways to do that; the committee needs to decide whether they want the U of O to pursue that. Bob indicated that they could separate out lands in the National Wetlands Inventory, as well as floodplains and steep slopes. Rebecca noted that there are different ways they could deal with these issues, including simply throwing out constrained lands in calculating density. Bob noted that they can come up with three bins, one for constrained land, one for land with no constraints, and one where there is some portion of the lot or parcel that is constrained.

Terry warned that there is a tension between "everything we would like to know" and that which we can obtain cheaply and efficiently. He wonders whether the committee would accept "sampling", where they can get deeper data for certain individual sample cities rather than try and obtain deeper data for all cities. Erin suggests she could be very comfortable with some sampling provided we have done some sort of analysis to determine that it makes a difference, or doesn't, regarding the bigger data set. Christe indicates she would be comfortable with sampling provided data derives from keeping in mind the decisions we need to make. We need to get out of our heads the constraints from the old method and only look at the constraints we need to get into with the new process.

Damian asked what size we would use for sampling. Bob Parker replied that they need to evaluate whether sampling may be problematic in that excluding outliers may not give us an accurate picture. If we start excluding cities of big size it would be problematic because there are not that many in the overall set. More discussion of sampling. Terry noted that "statistical sampling" is one thing. But what he is recommending that he would go to good data counties, get all sizes, and try and select for at least two or three kinds of things. He believes we could get good results out of that. Mia again warned that we should do a little more work to make sure that something you intend to study is worthwhile because we need to use the data, rather than study something that it turns out we don't need.

Discussion that this is an iterative process. Mentioned that we are going to reconvene in October, but Carrie suggested we could go ahead with our September meeting to focus in on this conversation. Now

that we have seen the kinds of data that U of O can give us, how would we use this to inform the development of the Need Paths? Or we could go to advisory committee/work groups and have more discussion to come back with ideas for the bigger group in October. Marilyn indicated she is concerned that we need to go from the October meeting right away to something conclusive in November, which seems a leap. She suggested we could get together again in September thinking about this conversation. The full data set wouldn't be complete till October so if we meet sooner we can better inform that work in advance.

Gil: looking at steps 3, 4, and 5 in the residential need path, it seems that data needs are apparent. Bob Rindy reminded the group that we have not really settled on exactly what the need paths should be, these are drafts at a very coarse scale. This may be the time to ask whether we should spend time with a smaller group to get comfortable with those paths or formulas before we proceed with more detailed research. Should we get additional advice first and have a higher comfort level of the paths? Bob Parker stated that he believes their research needs to keep moving regardless and we have already had a discussion about pushing the schedule. We don't want to stop now with the project but they would be happy if there was more assurance as to what the final "need paths" are. However, it seems pretty logical to figure out on a broader scale what the residential densities and mixes are for cities and what the housing mix is. That would take a little pressure of them because then they wouldn't have to "do everything" for the September meeting. In other words, focus on residential first. That wouldn't mean they stop on the other stuff, but could get to this first. Rebecca noted that they don't have good historic data on employment density, so in some sense the employment side will be a little more straightforward since the best they can do is a snapshot.

Further on this discussion, Bob Parker suggested for this presentation we have probably the majority of the metrics – without the statistical analysis – that these are the kinds of things that they would try and move forward with in the September meeting, with some variations. Or if there is differences in density in constrained areas. Coming back to the question of refining the need paths before we go too much further with the analysis, Bob Parker noted that they had been thru this many times before, and part of what they are doing is exploratory research and it seems like it is useful to continue with their research on patterns, observed baseline over periods of time, that begins to answer whether we need a push factor, and without that further research you can't exactly do that.

Terry Moore indicated we have two things going in parallel: we have the logic path and we have the data. One of the things he is noting that the logic paths for housing goes from number of houses to single family units. It does not go thru the usual historic path that goes to types of housing and types. He is ok with that, in fact that is the kind of simplification that we should pay attention to. But if we determine we are not comfortable with that later that's a problem because we wouldn't have researched it.

Carrie summarized the discussion and her suggestions about options on our scheduled. First, we should have an interim small group that we should get together the first week or two of September and we should keep the scheduled September RAC meeting to talk about what the group comes up with. Either

Bob and or Terry would try and attend or we would feed them with what we come up with. Then, we should get the RAC together in Oct to try and marry these things on the residential side. Erin suggests having U of O back in September with maybe two case studies to drill down to see what we could get if we ask for more detailed information. Look at, for example, what could we get if we ask for the moon. Determine whether more information enhances the discussion at all. Perhaps have that at the September meeting to give us some samples at the September. Bob R noted there are problems with trying to do all that and get it back to the committee in September. With smaller groups we could do this in a little longer time frame. Carrie suggests we cannot get the information requested by the Sept meeting, but could do perhaps in Oct. Carrie suggests one small group meeting in September to inform the RAC meeting in September 18<sup>th</sup>.

Marilyn suggests a small interim group to discuss these issues in Sept, have a meeting in September where we do some of the BLI and discuss work group items, is that feasible. Bob R notes that we can search for something in between mid Sept and mid Oct, but not optimistic. Steve asked whether the problem could be dealt with a little by having the RAC give staff more leeway on having materials well in advance. Bob R suggested this leave might also need to be understanding that we may not get very far with this in only one session. Gil indicated he agreed we probably need two solid sessions on the paths.

Terry clarified his earlier comments about the paths, noting that the missing step is where the household info would be disaggregated by incomes etc before the mix was determined, that's the missing step that he is comfortable with. Terry indicates that is exactly what simplification requires and he is willing to make that jump. Peggy reiterated that she thinks we should be meeting monthly in order to understand and repeat the discussion to others.

Conclusion: we are keeping the Sept and Oct RAC meeting dates. TM indicates that this is the first time in a very long time that we seem to be getting close to simplification, let's keep it going.

**Item 4:** BLI Introduction. This item did not occur due to extended discussion of Item 3.

**Item 5:** Question & Answer re BLI. This item did not occur due to extended discussion of Item 3.

**Item 6:** Legislation to Repair Drafting Error in HB 2254: Bob indicated that the draft from legislative counsel had been received that morning and had been sent to the RAC by email. Any changes must be provided to the department by August 27<sup>th</sup>.

**Item 7:** Wrap-up. The group determined that the next RAC meeting would be September 18.

The RAC is also scheduled to meet October 16.

The meeting adjourned at 1:30pm.