

August 26, 2015

The Honorable Pete Truax, Mayor
Chair, Metro Policy Advisory Committee (MPAC)
Forest Grove City Hall
1924 Council Street SW
Forest Grove, OR 97116

Re: 2015 Urban Growth Management Decision

Chair Truax and Members of MPAC:

As you know, the Metro Council will soon consider a series of recommendations that would maintain the existing Urban Growth Boundary for the region by making some unprecedented assumptions about future growth. The recommendations before MPAC would serve to heighten the problems of home affordability for middle-class families, suitable employment lands for living-wage job growth, and increased congestion on our roads and highways. MPAC must scrutinize the recommendations and their potential impacts, determine if Metro has addressed the issues raised by the region's municipalities, and ultimately help ensure accountability with respect to Metro's findings and proposals.

As members of MPAC and representatives of the area's various jurisdictions, you need to be aware that we have significant concerns with the recommendations before you and believe that they will present immense challenges to your communities and our region. These issues include:

- The unprecedented projected change in the mix of single family homes, apartments and condos;
- The unprecedented increase in housing numbers for Portland, reaching annual levels that have never been met, let alone sustained for 20 years;
- The unprecedented increase in condo development, rising from historically representing just a few percent of the annual housing market to the expectation it will be over 27% of the market;
- Concerns with the amount of employment land in the region, both overall and in locations that will help spur economic development in needed areas;
- The assumptions of lower household incomes, when our region should be planning for prosperity instead; and
- The combined effects that lower single-family home numbers, increased demand and lack of land supply will have on housing affordability.

These factors will likely create more pressure and pushback within Portland as existing neighborhoods are forced to absorb more growth, thus driving up land values, housing prices and rents, and changing neighborhood character. This will also impact traffic and livability to settled neighborhoods, causing significant pressure on our already stressed and aging infrastructure.

More importantly, the recommendations would push many families farther from owning a home, both economically and geographically. As a result, much of our workforce may be forced to move to the edge of our region and into towns outside of our Metro area to find the housing they want and can afford.

Another concern is the changes Metro has made in their Urban Growth Report modeling. Unlike previous reports, the new approach makes it impossible to expand the boundary as long as there is a

hypothetical supply of any kind of housing, anywhere in the region. Again, this ignores the types and locations of housing people want. This is why the model concludes there is no need for any boundary expansion, despite local jurisdictions expressing the need for both housing and employment lands.

For example, industrial vacancy is at its lowest point in over 20 years. There is a shortage of manufacturing and industrial buildings to meet current demand and provide for healthy production and export segments of our economy. The lack of suitable, available land for new projects increases costs for local businesses and reduces employment opportunities throughout the region.

Respected economists have examined the issues and concluded the report fails to provide for sufficient land availability to meet our region's housing and population projections. Specifically, projected future multi-family residential densities are unprecedented, far exceeding historical experience. Moreover, the fact that so much of UGB residential capacity must be redevelopment, the vast majority within the City of Portland, presents a significant vulnerability to the market reality of estimated regional capacity.

Oregon law (ORS 197.296) requires that Metro's legislative review of the UGB be based on actual density and the actual average mix of housing types that have occurred since the last periodic review cycle. Metro needs to show that if it plans or projects for a significant change in density and growth patterns from its last cycle, it must also adopt measures which demonstrate that expected change will occur. However, other than restricting land supply and assuming people's housing preferences will simply change, we see nothing that meets this requirement.

We appreciate the difficult job Metro has in managing our region's land supply and appreciate that important issues have been raised related to how Metro looks at things differently moving forward to manage and balance our region's growth. We agree with the report that it's important to understand how the recent recession affected our region's growth, as we work our way out of its impacts; to balance people's needs and preferences in housing and housing affordability with our desire to protect farm and forestland; to allow local jurisdictions, who want growth and shown the ability to do it well, better ways to achieve their goals; and ultimately to become more effective at creating higher-income jobs and economic opportunities for our residents. These are goals we all share for our region.

However, the recommendations before MPAC take the region down a path that is not supported by past practice. MPAC, although advisory, is an important review component of Metro's work. We recommend you look closely at these concerns and consider the ramifications of moving forward with the recommendations. We would also ask that you look back at the issues you raised last fall and determine whether Metro sufficiently addressed those concerns in its work. Finally, as the Metro Council considers accelerating the next review cycle in the hopes of having greater clarity around the Urban Reserves and other issues, we ask that MPAC continues to ensure accountability in the process.

Respectfully,



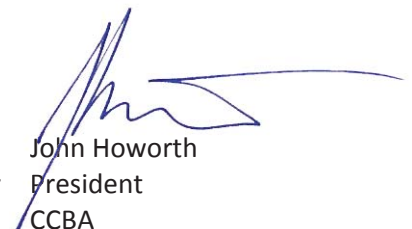
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