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BRIEFING MEMORANDUM

February 9, 2010

To: Portland City Planning Commission

From: Eric Engstrom, Portland Plan Project Manager

Subject: Agenda Item 3: Portland Plan Periodic Review: What is it, and what will inform it?

Why these Matters are Before the Planning Commission

Several of the Portland Plan background documents provide factual assessments needed to begin an update of Portland's *Comprehensive Plan*. The City is required to update parts of its *Comprehensive Plan* by a state mandate called "Periodic Review."

The required updates would be legislative actions. The *Portland City Code* Title 33, Chapter 740, describes an action as legislative if it would establish or modify land use plans, policies, regulations, or guidelines, and affect large areas of the City. With the exception of design guidelines, all such legislative actions are assigned by *Portland City Code* Title 33, Chapter 720 to the City Planning Commission for review and recommendation.

Policy 10.6 of Portland's *Comprehensive Plan* states, "The Planning Commission must review and make recommendations to the City Council on all proposed amendments to the *Comprehensive Plan Goals and Policies* and implementing ordinances." Policy 10.7 states, in part, that "The Planning Commission must review and make recommendations to the City Council on all legislative amendments to the *Comprehensive Plan Map*."

These codes and policies comprise part of Portland's *Community Involvement Program* which has been reviewed State Citizen Involvement Advisory Committee and acknowledged by the Oregon Land Conservation and Development Commission as meeting the requirements as Statewide Planning Goal 1, Citizen Involvement and Statewide Planning Goal 2, Land Use Planning.

Action Requested

No action is requested.

The February 9, 2010 agenda item provides a briefing to the City Planning Commission and an opportunity for interested persons and organizations to testify in the second of several public hearings. There will be a third Planning Commission hearing on March 9, 2010, and the Planning Commission's hearings record for written testimony will close on March 31, 2010.

City staff will ask the Planning Commission's advice on how to improve the Background Documents; but the Commission will not be asked to make a recommendation to City Council on the adequacy of the Background Documents until after a second or third round of hearings – probably in the fall of 2010.

Introduction to Periodic Review

In 1973 the Oregon Legislature required all cities to adopt comprehensive plans, and in 1981 required these plans be updated. The mandated evaluation and update is called "Periodic Review." As originally envisioned periodic review would apply to all cities and scrutinize all elements of comprehensive plans. Because the state did not have sufficient resources to participate in the review of so many plans, the 2005 Legislature narrowed both the scope and application of periodic review. The mandate now only applies to larger cities, and the evaluation is limited to the following elements of comprehensive plans:

- Economic Development,
- Needed Housing,
- Public Facilities,
- Transportation, and
- Urbanization.

Periodic Review is conducted in two stages – an evaluation, and if indicated by the evaluation, required updates. Portland has completed its evaluation and determined that updates are necessary in each of five plan elements. The Director of the Oregon Department of Land Conservation and Development has agreed, and on September 30, 2009 issued an order and work program requiring all updates be completed within three years.

Work program tasks are arranged in stages. The first stage is the assembly of an adequate factual base for analysis and decision making. This is the stage we are in now. In the fall of 2010 the Planning Commission will make a recommendation to City Council as to whether the assembled background materials are free of significant error, and whether they contain enough of the right kinds of information to make good decisions. The most obvious product will be a "where we are at now" base case, with current trends forecasted for a period of at least 20 years.

The second stage is a consideration of alternative courses of action. This is the "forecast is not destiny" part of periodic review, in which the base case is compared to alternative scenarios, and the consequences of different choices examined over at least 20 years.

The third stage is the selection of a preferred alternative and the adoption of policies to carry it out. The preferred alternative may be one of the examined alternatives, or a combination of parts drawn from two or more alternatives. This stage requires amendment of comprehensive plan documents and maps.

The final stage in periodic review is the adoption of sufficient and effective measures to carry out the updated plan. These measures fall into three categories – investments, partnerships, and regulations. Examples of particular measures include capital projects, urban renewal, development agreements, interagency agreements, and zoning and land division codes.

The Planning Commission is afforded the opportunity to make a recommendation to City Council at each stage of periodic review. If Council approves the work products, they are adopted by ordinance and forwarded to the Oregon Department of Land Conservation and Development for approval.

Although the above process is described as a sequence, periodic review can also be iterative. In other words, it is possible to learn something in a later stage of periodic review that would cause adjustments to earlier stages – even adjustments to work products that have been approved by the state.

The end of periodic review is a "Final Order" issued by the state that reviews and reconciles earlier orders approving individual work tasks.

Relation of Periodic Review to the Portland Plan

Periodic review is best understood as a subset of possible *Comprehensive Plan* updates, which in turn, is a subset of the *Portland Plan*. The following is the definition in Oregon law that describes the scope of a comprehensive plan.

“Comprehensive plan” means a generalized, coordinated land use map and policy statement of the governing body of a local government that interrelates all functional and natural systems and activities relating to the use of lands, including but not limited to sewer and water systems, transportation systems, educational facilities, recreational facilities, and natural resources and air and water quality management programs. “Comprehensive” means all-inclusive, both in terms of the geographic area covered and functional and natural activities and systems occurring in the area covered by the plan. “General nature” means a summary of policies and proposals in broad categories and does not necessarily indicate specific locations of any area, activity or use. A plan is “coordinated” when the needs of all levels of governments, semipublic and private agencies and the citizens of Oregon have been considered and accommodated as much as possible. “Land” includes water, both surface and subsurface, and the air. ORS 197.015 (5).

As described above, the 2005 Oregon Legislature limited the scope of periodic review to comprehensive plan elements focused on economic development, housing, public works, transportation and urbanization. Critics of this legislation maintain that plans updated in this manner would no longer be comprehensive. The *Portland Plan* could overcome this defect by directing beneficial updates to Portland’s *Comprehensive Plan* not required by periodic review.

Even if all elements of Portland’s *Comprehensive Plan* elements were completely updated, the *Portland Plan* would still offer three additional advantages - completeness, strategy, and alignment.

The City of Portland is a municipal corporation with important responsibilities other than providing public facilities for the successful development and redevelopment of land, or conserving natural areas. The *Portland Plan* provides an opportunity to promote those community objectives not directly related to land use.

Comprehensive plans are broad; they cover entire cities, contain several elements, and address twenty-year timeframes. A plan cannot be both this broad and strategic. Strategy involves choices, particularly the discernment of which planned objectives are more cost-effective and which are more timely. The *Portland Plan* provides an opportunity to act strategically; particularly through the identification of early action items.

The City of Portland is only one of the several local governments, school and other special districts, agencies and community based organizations involved in making the City a better place. The *Portland Plan* provides an opportunity to align the efforts of the City with those of its community partners.

Much of the work to develop new or updated *Comprehensive Plan* policies will take place in the second and third years of the Periodic Review work plan. This first year is focused on assembly of an adequate factual base for analysis and decision making, and on establishing strategic direction. The *Portland Plan Handbook* was designed to function as a high level guide to the facts about our city, and the Background Reports go into greater detail. In early 2011 the *Portland Plan* strategy document will outline and prioritize the types of changes we want to make to the *Comprehensive Plan*. An analogy is the relationship between Metro’s *2040 Framework Plan* document and Metro’s more detailed *Urban Growth Management Functional Plan*. In that sense, an updated *Comprehensive Plan* will be one of the tools we use to implement the strategy and priorities set by the *Portland Plan*.

Next Steps

The March 9, 2009 Planning Commission meeting will include a briefing about estimating housing and employment capacity under a "base case." The base case is the existing plan with current trends forecasted for 20 years. Land at or near planned maximums will be identified as having no further capacity. Other lands will be identified as full, diminished, or no capacity based on an analysis of various physical and natural constraints. These land types, and a preliminary list of the accompanying maps to be developed, are listed in Appendix B.

Calculated capacities will then be compared with the economic opportunities and housing needs described in the background reports. A list of the background reports related to periodic review is also contained in Appendix A.

At the end of the first year of periodic review the City Council may adopt an ordinance transmitting background information and forecasts to the Oregon Department of Land Conservation and Development for state approval as required by *Oregon Revised Statutes* 197.633 and *Oregon Administrative Rules* Chapter 660, Division 25. A rough outline of such an ordinance is included in Appendix C.

Additional attachments to this document include brief "snapshot" documents for the Natural Resources Inventory, Housing and Employment Forecasts, and a relational matrix showing which background reports have information for the various periodic review work tasks.

Appendices

- A List of Portland Plan Background Documents Related to Periodic Review**
- B Table of land types being examined for effects on housing and employment capacity, related maps, and draft considerations of potential impact by layer (none, some, full)**
- C Rough Outline of a City Ordinance Adopting Periodic Review Background Documents**

Attachments:

Natural Resources Inventory: Portland Plan Snapshot

Relational Matrix of Portland Plan Background Reports and Periodic Review Work Program Task: Land Use Inventory and Analysis

Appendix A

List of Portland Plan Background Documents Related to Periodic Review

Economic Development

Economic Opportunities Analysis, Trends

Economic Opportunities Analysis, Supply and Demand

Economic Opportunities Analysis, Alternative Choices

Evaluation of Economic Specialization

Historic Resources, Key Findings and Recommendations

Historic Resources, Data and Maps

Historic Resources, Understanding Historic Resources in Portland

Housing Affordability

Housing Supply

Housing Demand and Supply Projections

Housing and Transportation Cost Study

Infrastructure Condition and Capacity

Infrastructure Condition and Capacity Maps Part 1

Infrastructure Condition and Capacity Maps Part 2

Natural Resource Inventory

Urban Form

Appendix B

Table of land types being examined for effects on housing and employment capacity, related maps, and draft considerations of potential impact by layer (none, some, full)

HOUSING/EMPLOYMENT CAPACITY LAYERS AND SUBLAYERS	MAPS	IMPACT
Areas where existing infrastructure is insufficient to support current service standards:		
Transportation (Vehicular Level of Service)		
Current LOS - 2008	X	Some
2035 LOS	X	Some
Water (Flow and Pressure Standards)	X	Some
Sewer (Conveyance and treatment)		
Combined Stormwater – Pipe Capacity	X	TBD
Combined Stormwater – Sewer Backup Risk	X	TBD
Separated Sanitary – Pipe Capacity	X	TBD
Separated Sanitary – Sewer Backup Risk	X	TBD
Pump Station Deficiencies	X	TBD
Drainage (Conveyance and infiltration)	X	TBD
Areas where building use and height must be limited near Portland International Airport	X	
Approach and departure cones		None
Noise contours		Some
Areas where building height must be limited near the Portland Heliport (on top of Old Town parking garage)		Some
Natural Resource Features	X	
Streams, lakes, river and other water bodies		Some
Wetlands		Some
Forests		Some
Flood Areas		Some
Groundwater recharge areas		Some
Inventory of Significant Natural Resources	X	
Riparian areas & Fish and wildlife habitats		Some
Inventory of Significant Scenic Areas	X	
Views		None
Sites		None
Corridors		None
Open space	X	
OS comp plan map designation		Full
Lots open space tax assessment		Full
Lots with riparian tax assessment - none in city		Some
Lots with farm tax assessment		Some
Lots with forest tax assessment		Some
Delineated wellhead protection areas	X	
Columbia South Shore		None
Vivian		None
Gilbert		None
Significant Cultural Resources	X	
Historic districts		None
Historic buildings, sites and landmarks		None
Areas requiring archaeological scan or consultation with Native American tribal governments		Some
Hazards	X	
Historic and recent landslides and unstable sites		None
All slopes over 25%. Hazards will be identified from the best available topographic maps, and the following information		None

Oregon Department of Geology and Mineral Industries Statewide Digital Landslide Database (SLIDO)		None
Oregon Department of Geology and Mineral Industries Rapidly Moving Landslide Hazard Zones (IMS-22)		Some
Earthquake Fault lines, areas subject to liquefaction, and areas subject to moderate or severe damage from earthquakes		None
Oregon Department of Geology and Mineral Industries database IMS-1		None
Oregon Department of Geology and Mineral Industries database IMS-16		None
Federal Emergency Management Agency 100-year flood (flood plain) maps		None
Federal Emergency Management Agency floodway maps		Full
1996 actual flooded		None
Areas with impervious soils or other drainage problems		Some
Areas with shallow ground water		Some
Contaminated Areas identified by the Oregon Department of Environmental Quality, Environmental Cleanup Sites I (ECSI)		Some
Contaminated Areas identified by the Oregon Department of Environmental Quality, Confirmed Release Sites (CRL)		Some
Contaminated Areas identified by the Oregon Department of Environmental Quality, Underground Storage Tank Cleanup Sites (UST)		None
Publicly Owned Land	X	
Publicly owned or controlled lots and parcels that do not provide for employment or residential uses		Some
Public rights-of-way		Full
Beds and banks of navigable waterways		Full
Rural lands	X	
About 500 acres of land that is within the city limits but beyond the urban growth boundary		Full

Appendix C

Rough Outline of a City Ordinance Adopting Periodic Review Background Documents

With

Adopt factual base for an update of Portland's Comprehensive Plan

Include

1. Describing periodic review requirements and progress to date
2. Describing materials to be adopted
3. Describing work of advisory committees, workshops, and hearings
4. Describing how background materials have changed based on public review
5. Describing Planning Commission's recommendation to City Council

Goals

1. Adopt new estimate of housing and employment needs
2. Adopt new estimate of remaining housing and employment capacity of existing plan
3. Adopt new inventory of vacant and re-developable buildable land
4. Adopt new inventory of significant natural resources
5. Adopt new inventory of significant natural hazards
6. Adopt new Economic Opportunities Analysis
7. Adopt new Housing Needs Analysis
8. Adopt analysis on the state, conditions, and capacity of city infrastructure
9. Repeal earlier versions of adopted documents
10. Forward adopted documents to state for approval
11. Proceed to next stage of periodic review, alternative analysis

Natural Resource Inventory

snapshot



DID YOU KNOW THAT...?

- ✓ Significant natural resources make up one-third of the city.
- ✓ Portland contains almost 250 river and stream miles ...
- ✓ ... and about 2,450 wetland acres
- ✓ ... and close to 20,000 acres of forest and woodland areas one acre or larger.

Portland wouldn't be here today were it not for its historic abundance of natural resources. The waterways, forests, woodlands and prairies, fish and fur-bearing animals, and fertile soils have supported people for thousands of years. Even today, in urbanized Portland, natural resources provide important functions which we depend on to keep life in our city healthy.

Rivers, streams, floodplains and wetlands move and store streamflows and stormwater, and provide critical habitats for aquatic and terrestrial plants and animals. Trees and vegetation stabilize stream banks and slopes and prevent landslide risks. Vegetation also intercepts rain and slows stormwater runoff, thereby reducing peak streamflows and flooding.



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Relational Matrix of Portland Plan Background Reports (top row) and Periodic Review Work Program Task: Land Use Inventory and Analysis (left column)	Buildable Lands Analysis	Natural Resource Inventory	Infrastructure Condition and Capacity	Citywide Systems Maps 1	Citywide Systems Maps 2	Economic Opportunities Analysis Task 1	Economic Opportunities Analysis Tasks 2/3	Economic Opportunities Task 4	Evaluation of Economic Specialization	Economic Development Housing Supply	Housing Affordability	Housing and Transportation Cost Burden	Residential Land Demand and Supply	Public Schools
Subtask A: Establish the Amount of Existing Land Supply (Parcel Specific)														
Constrained Lands	Level of Constraint is to be determined. Initial maps will be available by March 1, 2010	Level of constraint to be determined. The NRI analysis assigns resource value, but not level of constraint.	Level of Constraint is to be determined. Transportation: New since BR completed Water: Supply p.187+ Transmission p.190 Distribution p 191+ Environmental Services: Combined Sewer: Map 1-5 and 1-6, p. 36+ Sanitary Sewer: Map 1-8, Map 1-9, p. 44+ Treatment: Map 1-11, p 51+ Stormwater: TBD p. 48 (available 3/2010) Parks: Map 2-2, p. 60+		Read pp. 12-17, 36-49							Parcel specific data has been used to calculate and then convert available land into Dwelling Unit Capacity. See pps. 4, 37-42		
Highly Constrained Lands					Read pp. 12-17, 36-49									
Unconstrained Lands					Read pp. 12-17, 36-49									
Subtask B: Evaluate Subtask A to determine the following:														
Development potentials for housing, including infill and redevelopment														
Development potentials for employment, including infill and redevelopment						Entire report applies, especially pp. 30-37, 40-68	Entire report applies, especially pp. 2-34							
Subtask C: Identify Employment Needs														
A new Economic Opportunities Analysis (OAR 660, Div. 9).						Entire report applies. Completed in 2009.	Entire report applies. Completed in 2009.	Entire report applies. Completed in 2009.						
Examination of the adequacy of the existing industrial land base, identification of "prime" industrial land, and characterization of long-term and short-term supplies of industrial land suitable for different employment types.						Entire report applies, especially pp. 48-54	Entire report applies, especially pp. 2-27; 36-37.	Entire report applies, especially pp. 7-16; 25-35;						
Assessment of the adequacy of the land base for non-industrial employment considering urban centers, institutional land needs (e.g., schools, hospitals and universities).						Entire report applies	Entire report applies, especially pp. 2-27; 36-37.	Entire report applies, especially pp. 7-24; 36-50						See facility planning section
Identification and analysis of the amount of brownfields that can be remediated and returned to short term supply							Read pp. 12-17, 36-49	Entire report applies, especially pp.5-6; 10-16; 32-35						
Subtask D: Identify Housing Needs														
Identification of expected surpluses and deficiencies in different housing types and affordability ranges											See pp. 10, 12,13, 14, 17, 29-30 and 34	Documents housing cost burden pps. 13-23 illustrate affordability issues.	Documents current and expected distribution of household types. Especially pps. 7-13	
Check residential inventory for potential of 10 units/acres and whether 1/2 the remaining potential is for multi-dwelling or attached single-dwelling structures (OAR 660, Div. 7 and 8)										Documents housing inventory See pps.7-11 for information on multi-family unit development trends	Cost Burdens by Tenure and Income, pps. 12-13; Homebuying Power, pg. 19; Renter Incomes by Monthly Housing Costs, p.30; Number of households on HAP waiting lists, p. 45			

HOUSING AND EMPLOYMENT FORECAST FACT SHEET

In recent decades, the Portland Metropolitan region and the City of Portland experienced a steady increase in population. In 1980, the city's population was about 368,000 residents. By 2005, the population had grown to nearly 555,000 residents. Much of this growth was a result of new city boundaries. In the 1980s and 1990s, the City of Portland annexed much of the city referred to as East Portland and Cully, as well as some smaller areas in North and Southwest Portland, greatly expanding the city's boundaries. Other growth can be attributed to people having children and new Portlanders arriving from across Oregon, the nation and beyond. In coming years, it is unlikely that Portland's boundaries will change. As a result, current Portlanders, their friends and growing families and new Portlanders alike will need to figure out how to manage change, direct investments and work smarter within existing city limits.

In another 25 years, how many people will live on Portland's nearly 93,000 acres? Where in the city will people choose to live? What kinds of jobs will Portlanders have?

Who develops household and employment forecasts?

Metro, our regional government, is responsible for forecasting the amount of population growth the metropolitan area will likely experience. Metro is also responsible for developing an employment forecast that estimates the number and types of jobs that will be in the city in the future.

What is a forecast?

Metro's forecasts are not targets. They are projections or estimates of what is likely to happen in the future, given trends, previous experience and existing policies. Although forecasts are educated estimations of what is likely to happen, they are neither goals nor necessarily descriptions of desired outcomes.

Why are forecasts important?

While forecasts may not always tell Portlanders what they want to hear, they are useful and very important. Household and employment forecasts help the City of Portland and other local communities plan responsibly. After all, population growth triggers the need not only for new housing but also for a complex web of additional urban services, from water pipes and sewers to parks and open spaces, roads, railways, schools and hospitals, all of which need to be planned far in advance. Employment forecasts tell the City of Portland what kind of land and work sites are needed to help the economy grow and tell the city which types of businesses are likely to provide residents with jobs over the next generation. The information contained in forecasts helps Portlanders make informed and educated decisions about how to manage land, where and when to invest in infrastructure – like transportation and utilities – and which policies and programs should be continued and enhanced and which should not.

HOUSEHOLD FORECAST SNAPSHOT

- In the model, Portland is projected to gain 105,000 and 36,000 new households by 2035 (annual percent rate change of 1.2 percent - 1.6 percent)
- This annual percent growth rate translates into a need for 3,500 - 4,500 new housing units each year between now and 2035.
- Nationally, regionally, and within the city, household size is projected to decline in coming years.
- In 2005, 28 percent of households included children. By 2035, 25 percent of households are expected to include children.
- The housing type in highest demand is expected to shift in favor of multi-family units.
- Portland's share of all households in the region is projected to decline from 29 percent in 2005 to 22 percent in 2035.
- The Portland Central Business subarea is projected nearly to triple its number of households by 2035.
- Although Southeast will continue to have more total households than any other subarea in the city, at just over 80,000, its share of citywide households is expected to decline. SE Portland covers approximately 15 % of the city's land area.
- Currently zoned land capacity in Portland is sufficient to meet housing demands - that is, enough land in Portland is currently zoned to accommodate the projected numbers of new households citywide and in each particular subarea.
- **More information is available in the Housing Demand and Supply Projections Background Report**

EMPLOYMENT FORECAST SNAPSHOT

- Between 2000 and 2006, the average annual growth rate (AAGR) of jobs in Portland was just 0.2%, compared to 0.5% in the three-county area, 0.7% in the seven-county MSA, 1.6 percent in Central Portland, and 3.2% in the outer-ring sections of the three-county area.
- Portland's 40% share of the jobs in the 7-county metropolitan area (MSA) in 2006 is declining. Portland's capture rate of regional job growth fell to 11% in the 2000-2006 period, down from about 27% in the 1980-2000 period. Central Portland has been an exception to this trend, adding about 12,000 jobs from 2000 to 2006, while the rest of the city lost 7,000 jobs.
- Metro has prepared a range of low, medium and high forecasts of job growth. The mid-range forecast indicates a more robust job growth rate averaging 1.7% per year from 2010-2035.
- The low range forecast estimates approximately 100,000 new jobs, the mid range estimates approximately 150,000 new jobs and the high range estimates approximately 200,000 new jobs. Metro's mid-range forecast estimates that Portland will once again capture about 27% of new regional jobs.
- Today, services account for just over one-fifth (21%) of the City's employment base – followed by health and social services, arts/accommodations/food services, education, retail, and manufacturing
- Between 2010 and 2035, the institutional sector is projected to grow by 37%, the office sector by 28%, the industrial sector by 18% and the retail and service sector by 17%.
- Schools and hospitals accounted for about 53,200 in-city jobs as of 2006 and for virtually all of the net job gains experienced in Portland from 2000-06. This is the City's fastest growing sector. Less than one-quarter of these jobs are within institutional zoning.
- Accommodating future job growth may prove challenging due to the wide range of Comprehensive Plan designations affecting institutional uses and location that are often adjacent to or within residential areas.
- City estimates indicate that Portland will need about 600 more acres of industrial land and 360 more acres of institutional land to meet the mid-range job forecast
- **More information is available in the Economic Opportunities Analysis Background Reports**

HOUSEHOLD FORECASTS AND DEVELOPMENT CAPACITY

How does Metro's household forecast work?

For information on how Metro's forecast model, Metroscope, works, please check out Metro's website: www.metro-region.org.

What does Metro's household forecast tell us?

- Metroscope projects where there is likely to be housing demand within the urban growth boundary (UGB) of the metropolitan region.
- The model defines 39 geographic subareas for the region, six of which are in the City of Portland. The model's subarea boundaries are consistent with Census tract boundaries.
- The Metroscope model groups households into eight categories by considering various factors including household size, family composition, age, income, and other criteria.
- The model projects the number and types of households likely to locate in each subarea.

What is Portland's Residential Development Capacity?

To begin to understand what Metro's forecasts might mean for the city – that is, is our land area great enough and do our regulations allow for the development of housing and housing types needed to accommodate the projected household growth – the City of Portland uses its own computer model to project “development capacity.” Development capacity is defined as the likely number of new dwelling units that could be built in the city under existing regulations assuming the continuation of recent market trends.

Determining development capacity is a two-step process. For both steps, it would be possible to make different assumptions for selecting the sites and converting them into dwelling unit capacity. The approach used here is relatively conservative.

Step I estimates the **net acreage** of land that is available for development and redevelopment in the city. Step 1 has three sub-steps, which are described below:

- Inventory and total the vacant sites/acreage in the city (sub-step a)
- Select sites that are underdeveloped and available for redevelopment. Underdeveloped sites are any sites which are developed to 20% or less of the allowable units (sub-step b)
- From the total of a + b, subtract constrained lands, which include environmental areas (parcels with a “p” overlay zone and those ranking high in the BPS draft Natural Resources Inventory as well as those designated historic landmarks). The result $[(a + b) - c]$ gives the net acres available for redevelopment.

Step II estimates the **dwelling unit capacity** by multiplying the available land (in acres) by the units built per acre in all residential zones and mixed-use zones that permit housing. The units per acre estimate for each zone is based on actual experience over 1998-2008 period, as seen in development permits. For most zones, the experience has been that typically developers build at less than 100% of the zoning maximums. For a few zones within the city, the number is higher than 100% because bonus provisions are frequently used.

EMPLOYMENT FORECASTS AND LAND CAPACITY

How does Metro's employment forecast work?

For information on how Metro's forecast model, Metroscope, works, please check out Metro's website: www.metro-region.org.

What does Metro's employment forecast tell us?

- Metro's employment forecast includes low, middle and high-range employment forecasts.
- The Metro regional employment urban growth report (UGR) does not include job forecasts for individual jurisdiction boundaries but it is organized by market subarea.
- The forecasts separates job growth into different business categories.

What is Portland's land capacity to support job growth?

Statewide Planning Goal 9 and its Administrative Rule require that a city prepare an "economic opportunities analysis" (EOA) during periodic review of its comprehensive plan, including an examination of growth trends and evaluation of the capacity of its existing supply of developable employment land to accommodate the next 20 years of growth following plan adoption.

Recent trends show a declining city share of the region's jobs, despite an expanding share of the region's housing. Portland has advantageous infrastructure and workforce capacity, with exceptions, but tightening land supply. As a landlocked city, the land supply for job growth has shifted away from greenfields to constrained land and redevelopment at higher densities. These narrowing urban land supply options have not slowed local housing development, but they pose challenges for employment land. How the available land supply responds to future demand will substantially guide where job growth occurs across the region. Land supply is affected by a variety of public choices, particularly in land use policy, infrastructure investments, and development incentives.

The draft mid-range employment forecast is for recovery to a 27-percent capture rate of regional job growth (about 150,000 new jobs; 1.3% AAGR) translates into demand for 3,200 acres of employment land absorption. (Land absorption is a measure of both the vacant land developed during the period and the sites redeveloped to higher density.) The high range forecast is for 200,000 new jobs (36% capture rate, 1.6 AAGR) and land absorption of 4,100 acres; the low range forecast is for 100,000 new jobs (18% capture rate, 0.9 AAGR) and land absorption of 3,200 acres at lower development densities.

To meet forecast land absorption, 4,200 acres of developable employment land supply was identified, but roughly two thirds of that land has development constraints. (Supply was measured by vacant (unimproved) land and "less improved sites," measured by an improvements-to-land-value ratio less than 0.5.) Approximately 1,400 acres of the developable supply was mapped as potential brownfield sites (potentially contaminated and underutilized), of which only 33% is estimated to be available for development by 2035 under current market conditions. An additional 1,350 acres of the supply has existing or proposed environmental overlays that allow but limit development, of which 45 percent is estimated to be available for development by 2035.

Comparing available supply to forecast demand by district geographies, significant shortfalls of developable land were identified for industrial district and institutional campus growth. The Economic Opportunities Analysis reports provide detailed estimates of land absorption and existing capacity within nine employment land geographies.