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Planning and Sustainability Commission
1900 SW Fourth Ave
Portland, Oregon 97201-5380

Re: Growth Scenarios Report

The projected growth of 124,000 housing units that the City of Portland is planning for in the 2035 Comprehensive Plan has some flawed assumptions. The Metro is using a capture rate of 72 % in their forecast, when their historically the capture rate has been 62 %. That is 8.6 % higher rate than has been achieved. The City of Portland is planning is also planning for 60% share of the new housing units with in the Metro UGB. The largest share of housing units that the city of Portland has achieved has been 36%. Thus the more likely number of housing units should be 68,000 housing units. The city of Portland has been averaging 2,700 housing units per year. The best years of 2003 and 2014 it produced a little over 5000 units. This is far from the average of 6,000 hosing units it would take to get to 124,000 housing units.

It should be noted that Clark County Washington has been producing close to the same number of housing units with 56% of the growth out side the UGB. Most of the housing units planed in the Portland will be apartments and condos. The 2014 Housing Preference Study found another flaw in Portland's plan because 80 % of respondents preferred single family detached housing. Will Portland's growth then happen in Clark County?

The Bureau of Planning and Sustainability has projected an increase in capacity of 28% in Multnomah Neighborhood in their proposed changes to the Comprehensive Plan. They have stated that there is more than enough with the current zoning thus the increase capacity would be considered Market Factor which is prohibited. The neighborhood is also slated for a misappropriate 11% growth of SW Portland due to the proposed changes in the plan

The increase in housing capacity in excess of the projected growth will put undetermined loads on an underfunded transportation system which is inconsistent with the State Transportation Rule.

Please add this to the record of the Comprehensive Plan

Thank you,

James F Peterson

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Encl: Development Potential Urban Centers April 14, 2015
cc: City Council

- Without asking for respondents to make tradeoffs such as price, neighborhood type, and commute time, 80 percent of respondents preferred single-family detached housing.
- Accounting for tradeoffs such as price, neighborhood type, and commute time, 62 percent of respondents chose single-family detached housing (comparable to the share that live in this housing type today).

- The draft UGR indicates that the city would see about 124,000 new households over the next 20 years. This amounts to an average of about 6,000 new homes every year, which exceeds average annual housing production for the city.

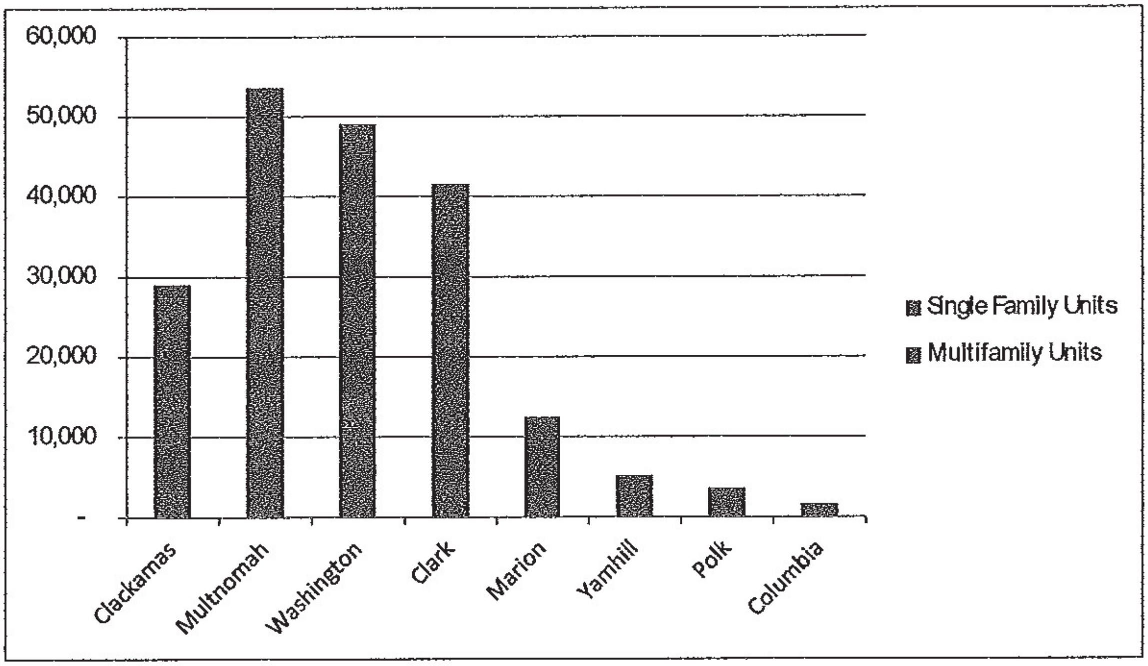
What are some of the recent development trends around the region?

Growth management decisions are an exercise in planning for the future. However, what has happened in the past can inform discussions about what might happen over the next 20 years. Below are data on past residential development activity from 1998 through the third quarter of 2014.[1]

Figure 1: New residential permit activity (total new residences 1998 through 3rd quarter 2014)

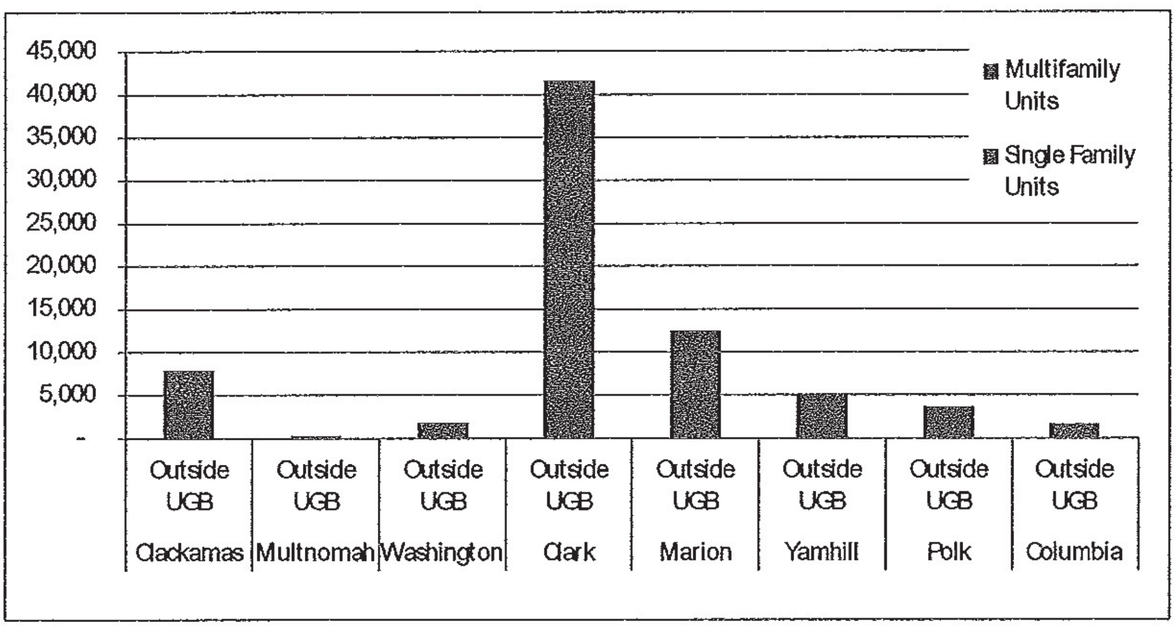
[1] Data source: Construction Monitor. These data are for approved permits for new residential construction. Pending permits and renewed permits were excluded. These data were compared with and found to closely match U.S. Census Bureau permit data. Though this is the best available data, there may be some instances when approved permits did not get built.

Figure 2: Permitted new residences by county and housing type (1998 through 3rd quarter 2014)



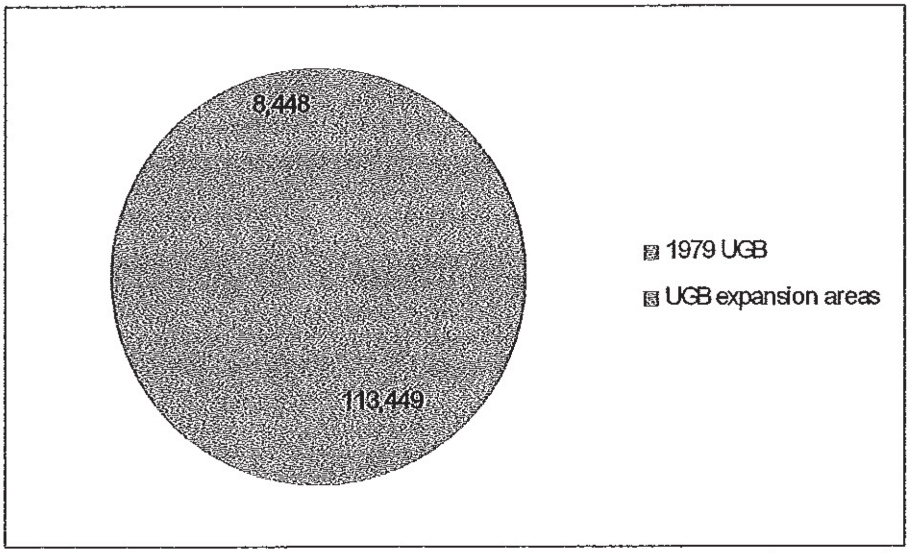
As depicted in Figure 2, there were about 196,000 new residences permitted in the eight counties shown. These new residences are evenly split between single-family and multifamily units.

Figure 3: Permitted new residences outside the Metro UGB by housing type (1998 through 3rd quarter 2014)



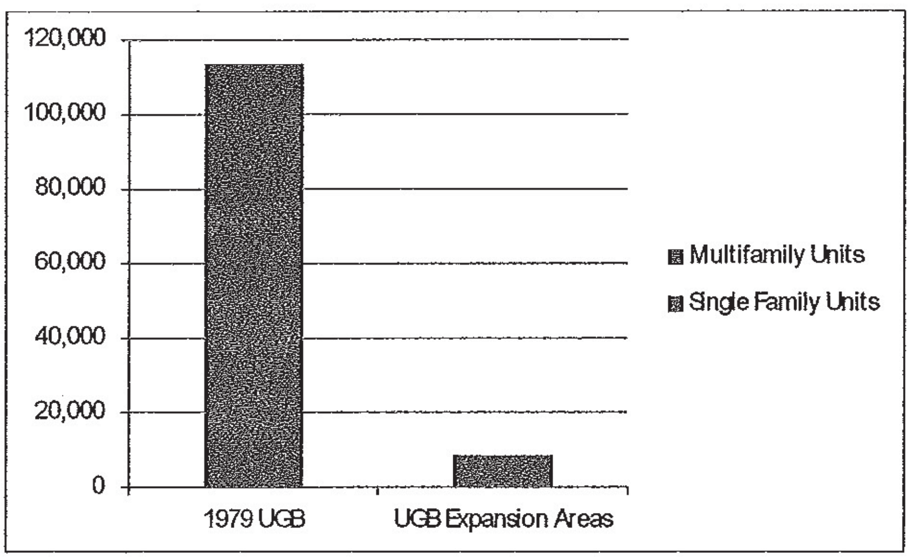
As depicted in Figure 3, most (56 percent) of the residential growth happening outside the Metro UGB has occurred in Clark County. Washington State also manages growth through its Growth Management Act.

Figure 4: Permitted new residences in original 1979 UGB and expansion areas (1998 through 3rd quarter 2014)



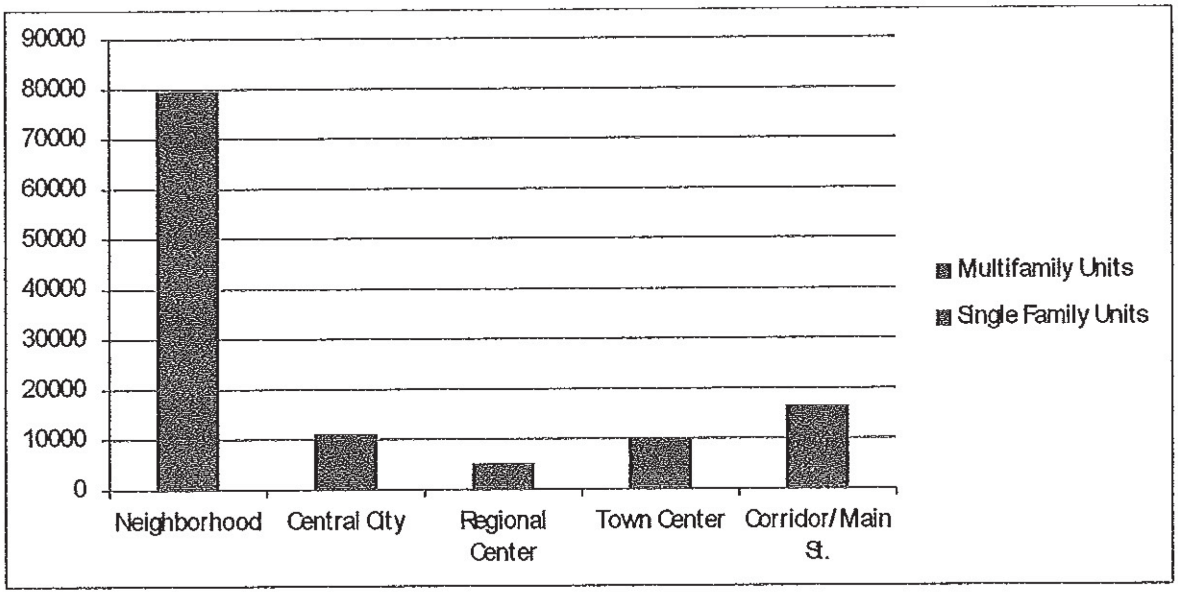
There are approximately 260,000 acres inside the Metro UGB, including about 32,000 acres that have been added since the UGB's adoption in 1979. As depicted in Figure 4, 93 percent of the new residences were permitted inside the original 1979 Metro UGB. UGB expansion areas contributed seven percent of the region's new housing.

Figure 5: Permitted new residences by type in the original 1979 UGB and expansion areas (1998 through 3rd quarter 2014)



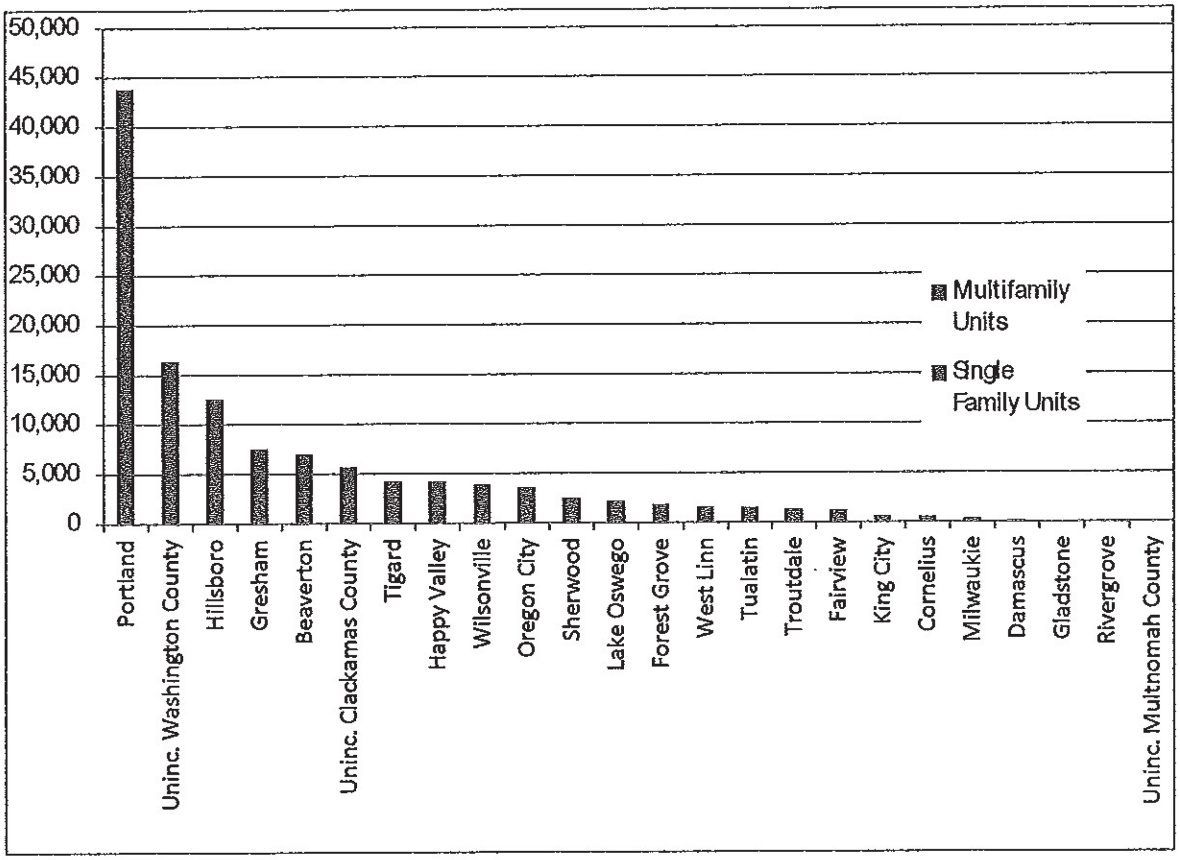
As depicted in Figure 5, 54 percent of the new housing permitted inside the original 1979 UGB has been single-family housing. In UGB expansion areas, single-family housing represents 87 percent of the new housing.

Figure 6: Permitted new residences in the Metro UGB by 2040 design type and housing type (1998 through 3rd quarter 2014)



The regional vision for growth, the 2040 Growth Concept, identifies several different design types. The Neighborhood design type is the most ubiquitous and, as depicted in Figure 6, accounted for most (65 percent) of the new residences in the Metro UGB.

Figure 7: Permitted new residences by city inside the Metro UGB (1998 through 3rd quarter 2014)



As depicted in Figure 7, over the last 16 years, the City of Portland led residential construction in the Metro UGB with 36 percent of the new residences. This represents an average housing production in Portland of over 2,700 units per year, which is about half of the average annual housing production forecast for the City of Portland in the draft UGR. In its best years (2003 and 2014), Portland produced over 5,000 units of new housing per year. Portland's lowest housing production occurred during the Great Recession. From 1998 through the third quarter of 2014, 64 percent of Portland's new housing was multifamily.