



MEMORANDUM

TO: Comprehensive Plan Citizen Advisory Committee

FROM: Staff

SUBJECT: Population Forecast

DATE: February 17, 2011

Action

Based on the CAC on the discussion at the January 26 CAC meeting staff was asked to review the assumptions behind the population forecast at the February 22 meeting. Also, a motion was made that the CAC should endorse the population projection as a prerequisite to any decisions on land use.

Todd Chase from the FCS group who produced the Lake Oswego Population Baseline Analysis will review the forecasts at the February 22 meeting. Staff recommends that the CAC not “endorse” one growth forecast at this time. Leaving the range open for now enables the CAC to learn about the potential implications of each forecast before making a decision in the spring. It also allows the public to comment on a broad range of options rather than limiting their input.

Staff requests that the CAC support moving forward with the range of forecasts that’s presented as part of the Economic Development (Goal 9) and Housing (Goal 10) memos, and the timeline below.

Meeting Date	CAC/Public Task
February 22	Review range of growth forecasts and associated land needs.
March 10	Allocate a range of forecasted land needs to existing land use pattern; identify and review implications; prepare for public meeting.
March 29	Community review of growth forecast implications and alternative land use patterns.
April 27	Select growth rate(s) and land use pattern(s) to be assessed.
Week of May 9	Review and comment on scenarios/scenario assessments; prepare for public meeting.
May 25	Community review and comment on scenarios/scenario assessments.
June 22	Identify preferred scenario to recommend to Council.

Reference Materials

There are two documents (attached) the CAC should read prior to the meeting:

1. Metro’s Roll in City and County Periodic Review
2. Page 19 of the Lake Oswego Population Baseline Analysis

Metro's Role in City and County Periodic Reviews

June 30, 2010

Metro has several roles in periodic review¹ of the comprehensive plans of the cities and counties in Metro's jurisdictional boundary. These roles derive from Metro's coordination responsibilities under ORS chapter 195 and its land use planning responsibilities under ORS chapter 268. These roles aim to ensure that the plans of the 25 cities and three counties (urbanized portions) work well together and are consistent with Metro's Regional Framework Plan (RFP).

I. Coordination

A. Plans Fit Together

ORS 195.025(1) gives to counties the responsibility to ensure that the plans of the cities within the county are "coordinated" with each other and with the county plan. This statute and Metro's statute (ORS Chapter 268) assign this same responsibility to Metro for the local governments which lie within Metro's jurisdictional boundary.² The statute calls for an "integrated comprehensive plan for the entire area..." In simpler terms, it is Metro's responsibility to ensure that city and county plans (urban area only) fit together. The statute does not expressly state how far the responsibility extends. However, the Land Use Board of Appeals said it included the responsibility to resolve a dispute between the cities of Beaverton and Portland about jurisdiction over the unincorporated territory between them (both cities adopted conflicting comprehensive plan provisions governing the territory).³

Metro can fulfill this role in a passive or an active manner. If a city or county proposes to amend its comprehensive plan or its other land use regulations in periodic review, it notifies Metro at least 45 days before its first hearing on the amendment. Metro has an opportunity to express any coordination concerns as the amendment is considered by the city or county. Metro can also work actively with the city or county as it develops its periodic review work program to align with regional planning activities and to draw attention to coordination concerns earlier in the city or county periodic review process.

B. Population Forecast

ORS 195.036 requires "coordinating bodies" (including Metro within its boundary) to "establish and maintain a population forecast for the entire area within its boundary for use in...comprehensive plans...." This means Metro (1) does a forecast for the region, and (2) ensures that city and county forecasts done in periodic review are consistent with its regional forecast. Metro updates its population forecast for the region every five years as part of the UGB capacity analysis required by ORS 197.299, and every time it updates the Regional Transportation Plan (at least every four years under federal law).

An implied and commonly understood element of population coordination is the allocation of the forecast population among the cities and counties in the region. Metro makes an allocation every five years as part of the fulfillment of its responsibilities under the "needed

¹ As required by ORS 197.628 to 197.644.

² ORS 195.025(1), in pertinent part, states: "...the governing body of the Metropolitan Service District shall be considered the county review, advisory and coordinative body for Multnomah, Clackamas and Washington Counties for the areas within that district." ORS 268.380(1)(c) states: "A district may:...(c) Coordinate the land-use planning activities of that portion of cities and counties within the district."

³ *City of Portland v. City of Beaverton*, 27 Or LUBA 176 (1994)

housing” statutes⁴ and Goal 14 (Urbanization). Metro makes the allocation through iterations between development of proposed growth management policies with cities and counties and evaluation of the effects of those policies as inputs to Metroscope, Metro’s econometric model, which distributes housing units and jobs around the region. Metro also makes allocations when it adds land to the UGB and estimates the population and employment capacities of the added land.

II. Consistency with Functional Plan Requirements

Amendments to city and county plans and other land use regulations must be consistent with Metro’s functional plan requirements. Metro has the same role in a city or county periodic review to ensure this consistency as it has outside of periodic review: the city or county sends Metro a copy of any proposed amendment 45 days before the first public hearing on the amendment; Metro brings any potential inconsistency with a functional plan requirement to the city’s or county’s attention, and can appeal to LUBA if necessary. Metro can fulfill this role more comprehensively and express its concerns in a more timely fashion if it plays its role actively, as described above.

III. Reliance

Several of Metro’s functional plan requirements implement, at the regional level, statewide planning requirements that also apply to city and county comprehensive plans. To the extent that the functional plan requirements implement and are consistent with statewide planning requirements, amendments to city and county comprehensive plans made in periodic review that are consistent with those functional plan requirements should be deemed by the state to be consistent with state requirements. For example, if a city in the region amends an ordinance regulating development in riparian areas and the amendment is consistent with Metro Titles 3 and 13, the city should be able to assume that the ordinance complies with LCDC’s Goals 5 and 6.

IV. Assistance

State law requires city and county periodic review to concentrate on urban growth management: Goals, 9, 10, 11, 12 and 14. Much of the work that Metro does to fulfill the responsibilities set forth above can benefit the work a city or county must do under one of those goals. For example, Goal 9 requires cities and counties to assess their economies for trends, strengths and weaknesses, in the context of the regional, state and national economies. To fulfill its responsibility to provide capacity for housing and employment, Metro assesses the regional economy, in the context of the state, national and international economies. Metro can assist cities and counties with their Goal 9 responsibilities by sharing its assessment with them and, even more, by undertaking its assessment in concert with them. Metro can help cities and counties in the same way with their ORS 197.296 and Goal 10 housing requirements and their Goal 14 capacity duties.

⁴ ORS 197.295 to 197.303.

D. LAKE OSWEGO BASELINE POPULATION FORECAST

Lake Oswego's USB population level is currently estimated at 41,598 people, according to the City of Lake Oswego Planning Department. Lake Oswego's future population growth will be a function of planned development, along with changes in fertility and death rates, and in-migration and out-migration patterns. Local housing stock availability and price levels and broader national, international and regional economic conditions will also influence the pace of growth.

In order to forecast overall population growth for the Lake Oswego area, FCS GROUP considered actual historic population trends over three time periods: most recent trend (obtained from the U.S. Census American Community Survey for 2005-07, and 2006-08); six-year trend (obtained from the 2000 Census and the 2006-08 American Community Survey); and long-term trend (obtained from the 1990 Census and the 2006-08 American Community Survey). The average annual growth rates for the various population cohorts over these time periods are shown in **Table II-16**.

In addition to considering historic trends documented by U.S. Census estimates, FCS GROUP also considered population age cohort forecasts prepared for Clackamas County by the Oregon Office of Economic Analysis, and national forecasts prepared by the U.S. Census for the 2010 to 2030 time periods. The resulting forecast for population growth in the Lake Oswego area are provided in **Table II-17** for the 2007 to 2020 (near term) and the 2020 to 2035 (long term) time periods. These forecasts are referred to as the baseline midpoint forecast scenario. As with any forecast, the actual level of population growth will vary from year to year; hence, these assumptions should be revisited after 2010 Census data are available. However, these forecasts are generally appropriate for long-range planning and policy purposes.

Using the baseline forecast growth rate assumptions, the resulting long-term population forecast for the Lake Oswego USB assumes population increases from 43,094 currently to approximately 51,981 people by year 2035, as indicated in **Table II-18**. It should be noted that these forecasts are expected to have a margin of error of approximately 15% at a 80% confidence interval. Hence, we are 80% confident that the actual population growth rate in the City will vary within 15% of the baseline forecast. In other words, the total population growth level in the Lake Oswego USB is expected to range from 7,554 to 10,220 net new residents over the 2010 to 2035 time period, with a midpoint forecast of 8,887 net new residents.

The amount of population growth under the most likely baseline forecast expects a significant increase in population over the age of 55, and a slight decrease in population between the ages of 5 and 14. The younger Generation Y population segment (ages 15-24) is also expected to increase in the short-term due to a recent trend towards "children" remaining with parents over longer periods, as they save money for housing and/or repay student loans.

The age 25 to 44 cohort is also forecasted to experience significant net new growth, as younger families move from within the greater Portland region to capitalize on Lake Oswego's positive characteristics, such as: good schools, safety/low crime rates, arts, recreation, short commute time, and other quality of life attributes.

Recommendation:

Once the current 2010 Census data are available for Lake Oswego (by mid 2011), it is recommended that the City update these population age cohort forecasts using the most up to date local demographic trends.