

Metro Development Readiness Assessment

Metro Policy Advisory Committee

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March 22, 2023

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Today's Agenda

- Overview of the Project
- Overview of Development Readiness Analysis
 - Past Urban Growth Boundary Expansion Areas
 - Metro Town Centers & Corridors
- Q&A

Metro Residential Readiness Project

Research and analysis to
guide Metro's 2024
Urban Growth
Management Decision

Updates to development
capacity / supply model



Development Readiness



Population & Development Trends



Housing Filtering & Market Functions



Gentrification & Displacement Risk



Office-to-Residential Conversion Potential



Middle Housing Potential



Existing Housing Needs

Development Readiness Analysis

- Goal is to illuminate the circumstances under which housing and employment land development has or hasn't happened in past UGB expansion areas
- Identify typical barriers to mixed-use development in urban locations inside the UGB

Urban Growth Boundary Expansion Areas

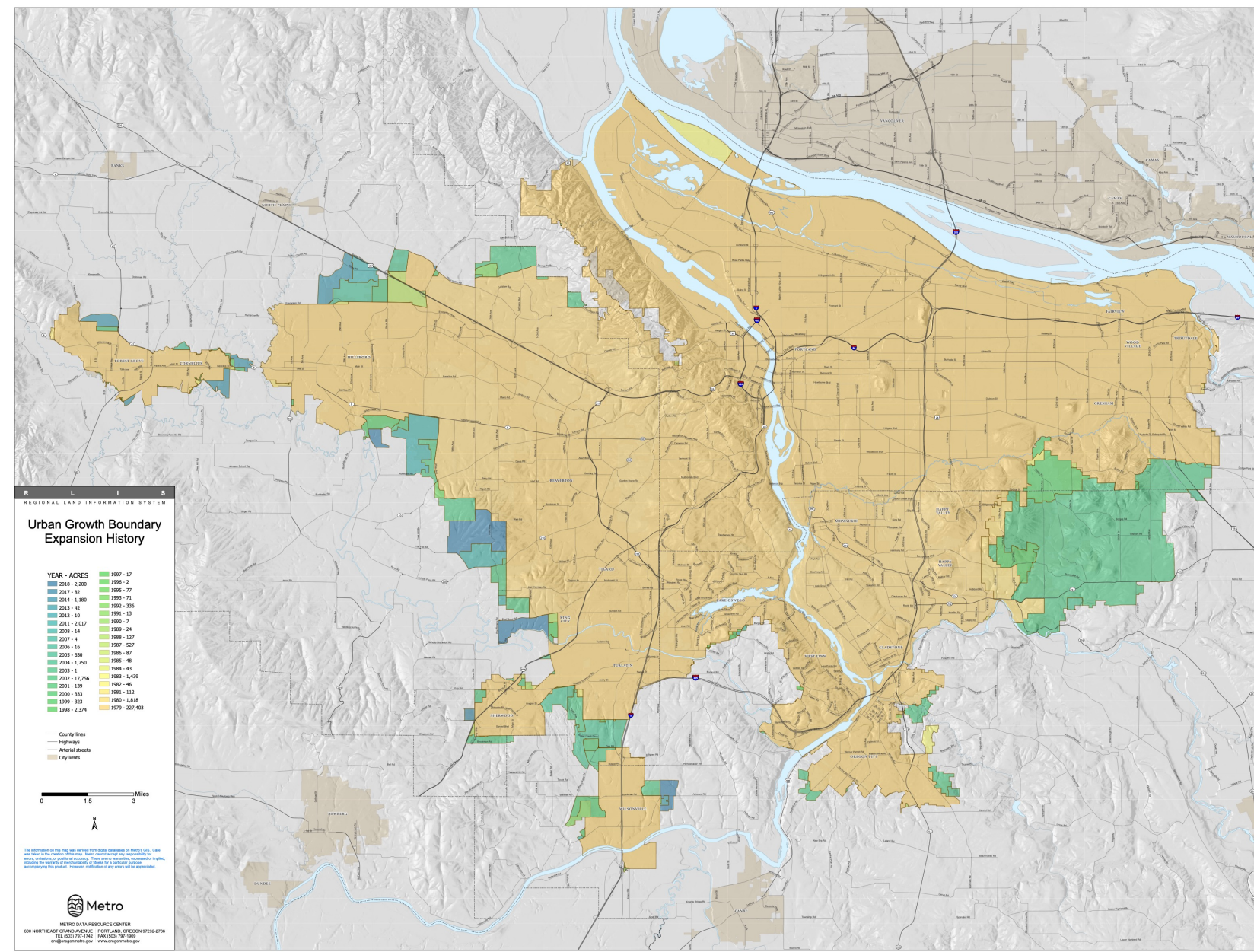
Metro UGB Expansions Over the Years

Focus on major UGB expansions in:

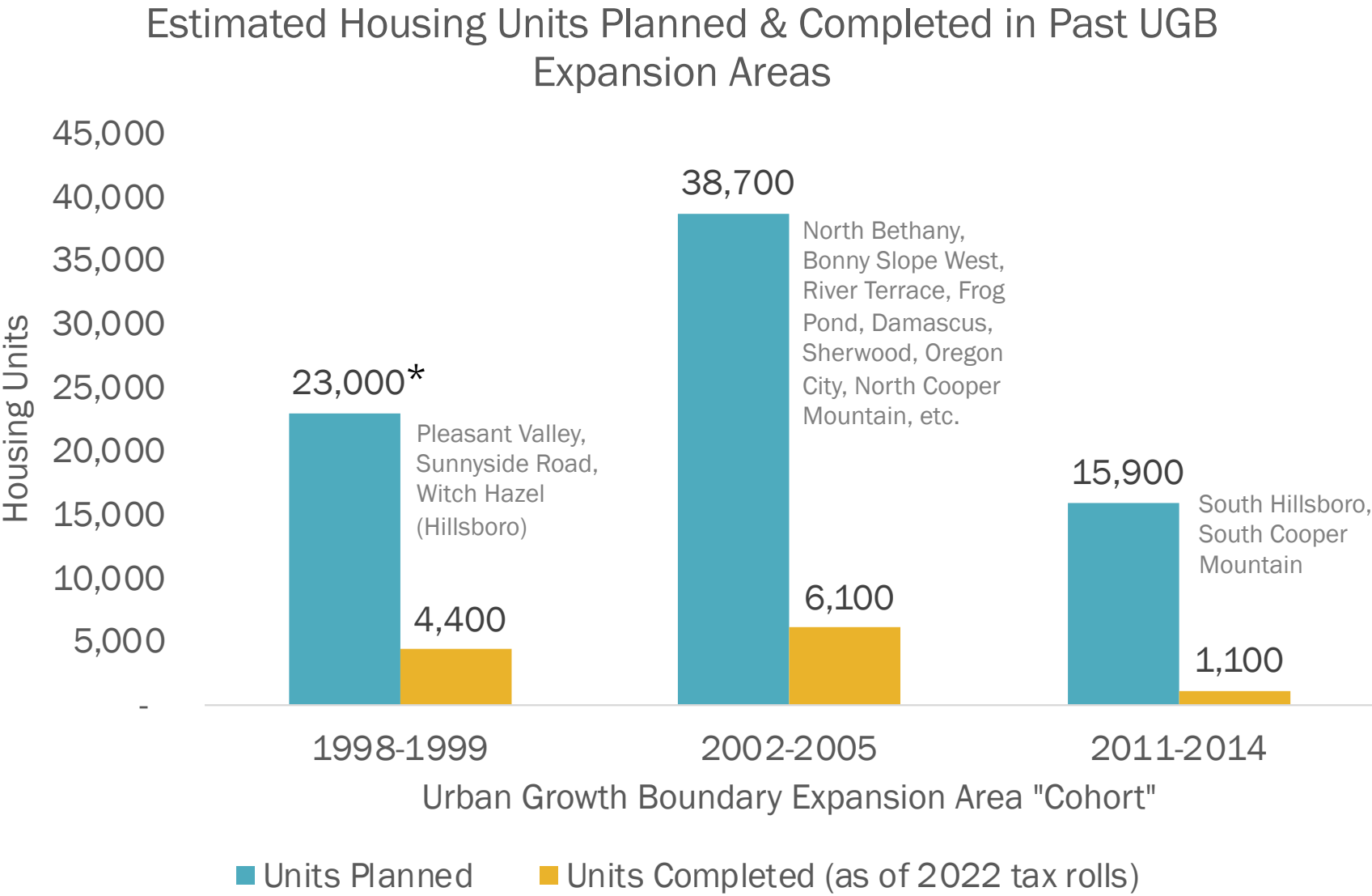
- 1998-1999
- 2002-2005
- 2011-2014
- 2018

“Where are they now?”
approach for each
“cohort”

Data sources: Metro historical UGB expansion area boundaries, tax lot data, employment data (QCEW), CoStar



Housing Production in UGB Expansions Has Lagged Targets



Sources: Units planned: Metro UGB History; Deliveries: ECONorthwest analysis of 2022 RLIS tax lot data. Note that tax lot data tends to lag construction completions, sometimes by up to a year.

* Units planned may include portions of Wilsonville's Villebois, which is not included in estimated units completed.

Take-aways: Key factors that influence development outcomes



Parcel size and developability



Market alignment



Infrastructure serviceability, costs, and funding plans



Governance & local leadership

Key Factors: Parcel Size & Developability

What's the issue?

- Rural residential parcels are challenging:
 - Existing residents often oppose urbanization
 - Less cost-effective to consolidate and develop
 - Harder to achieve scale for master planning
 - Not well suited for employment uses
- Resource constraints can limit development potential, fragment buildable land

What's working?

- Urban reserves – less reliance on exception land
- Developers consolidating site control to allow bigger master planned developments

Key Factors: Market Alignment

What's the issue?

- Demand for housing in many areas (maybe stronger on west side)
- Commercial & employment more challenging
 - Some areas not well-suited for employment uses(e.g., not flat enough to cost-effectively develop with larger employment uses, far from major transportation facilities).
- Commercial generally follows residential—need enough customers to support new businesses.

What's working?

- Early involvement by developers in planning for expansion areas (prior to and following UGB decisions)
- Expanding where the demand is for a given land use

Key Factors: Infrastructure

What's the issue?

- Infrastructure is a substantial expense in nearly all expansion areas
- Topography and physical conditions increase cost and difficulty of building infrastructure
- Making initial investments to enable development requires proactive support and creative funding/financing mechanisms
- Major industrial & employment development often can't front infrastructure costs

What's working?

- Early infrastructure assessment and planning (prior to and following UGB decisions)
- Bringing in areas that are easier to serve
- Proactive role by cities in establishing funding mechanisms & advancing critical early infrastructure projects
- Experienced, well-capitalized land developers who can take on bigger on-site infrastructure investments

What's the issue?

- Cities play a key role in advancing development
- Lack of clarity about which city is responsible creates challenges
- Pro-active planning moves the process faster

What's working?

- Updated process and requirements for City involvement in expansions
- Cities being pro-active about planning and infrastructure

Timing Considerations: UGB Expansion Areas

- Planning, adoption of development regulations, establishing a viable infrastructure funding strategy take time given need for community and stakeholder engagement
- Other steps (annexation, infrastructure programming, etc.) generally follow planning, take additional time
- Development applications usually can't proceed until other pieces are in place
- Recessions or other market disruptions can delay things further

Conclusions: UGB Expansion Areas

- Changes to rules and process are helping
- Developer interest and participation supports development readiness
- Pro-active City leadership can move development forward faster
- Metro can guide growth, but can't create a market where it doesn't exist or overcome topographic, ownership, or resource barriers to development

State of the 2040 Centers

- Residential development trends in 2040 Centers
- What are the common regulatory, procedural, and market barriers to residential development in 2040 centers?

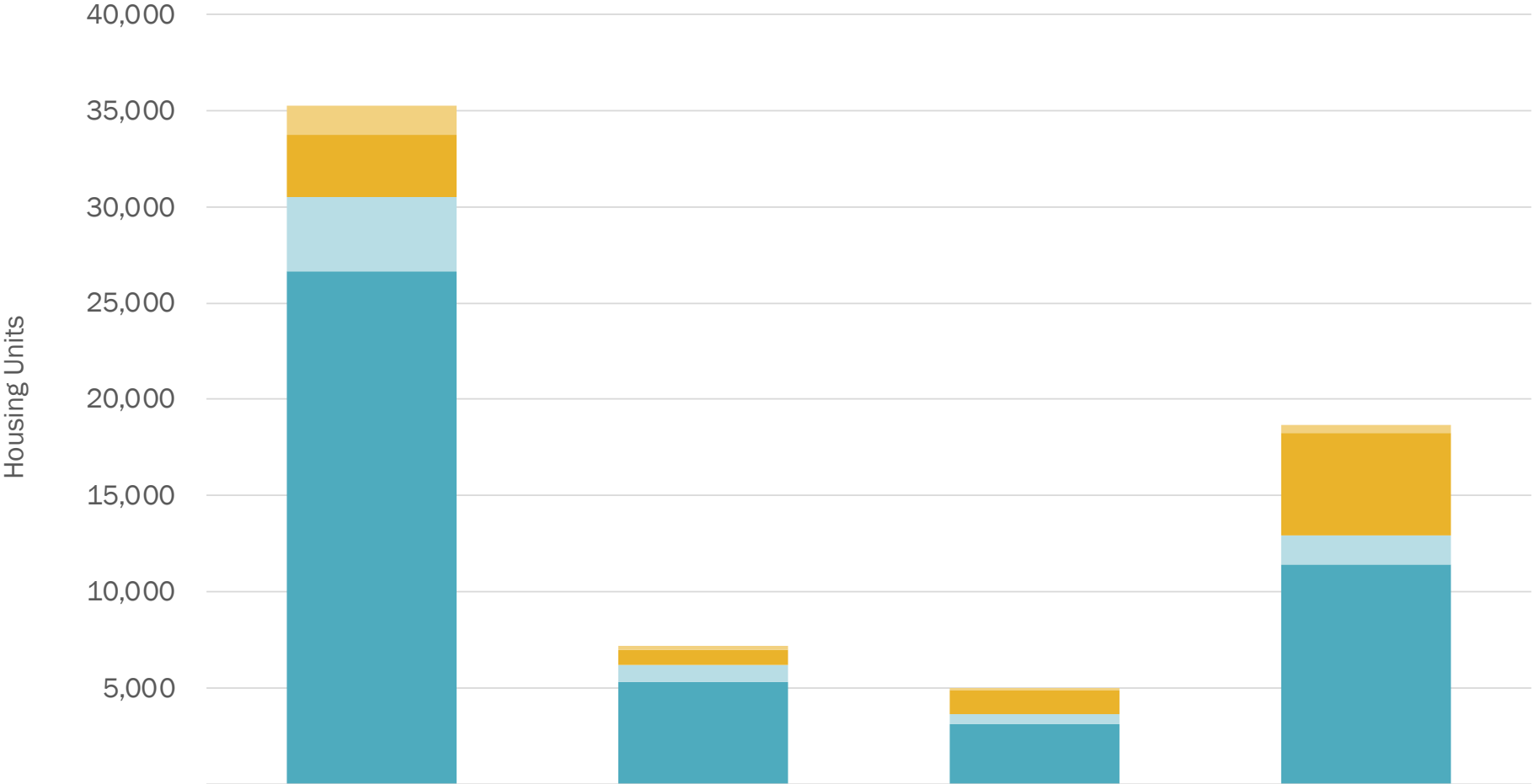
Regional & Town Centers



Oregon Metro, Oregon State Parks, State of Oregon GEO, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

City Center and Other Areas

Regulated Affordable & Market Rate Housing Units
Completed and in Pipeline by Region (2007-2022)



	Rest of Region	Town Center	Regional Center	Central City
Pipeline Regulated	1,485	181	144	434
Pipeline Market	3,257	793	1,238	5,344
Completed Regulated	3,868	898	515	1,502
Completed Market	26,641	5,313	3,126	11,413

Source: CoStar. May exclude some development where year built data is unavailable. Note: “Rest of Region” is all areas within the Metro UGB that are not part of a Regional Center, Town Center, or the Central City.

2040 Regional & Town Centers: Observations

Common Barriers	What Has Helped?
Lack of amenities, older auto-oriented development pattern – need for investment in public realm	Strong public investment (e.g., TIF) Historic downtowns / walkable street networks
Older suburban development regulations (e.g., high parking & landscaping requirements, etc.)	Code updates Streamlined regulations Reduced parking requirements
Rents too low to support vertical mixed-use or podium development	Development incentives (e.g., VHDZ)
Market demand for parking	Light rail, on-street parking

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