



Oregon

Theodore R. Kulongoaki, Governor

Department of Land Conservation and Development

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November 20, 2007



Bob Swank
Lane Council of Governments
99 East Broadway Suite 400
Eugene, Oregon 97401-3111

RE: Adoption of coordinated population projections
(DLCD file Lane County 011-07)

Dear Mr. Swank:

Thank you for the opportunity to comment on the proposed update of Lane County's coordinated population projections. We applaud the county for keeping this important set of data current. Please include these comments in the record for the case.

Adoption

Oregon Administrative Rule (OAR) 660-024-0030, "Population Forecasts," states:

(1) Counties must adopt and maintain a coordinated 20-year population forecast for the county and for each urban area within the county consistent with statutory requirements for such forecasts under ORS 195.025 and 195.036. . . In adopting the coordinated forecast, local governments must follow applicable procedures and requirements in ORS 197.610 to 197.650 and must provide notice to all other local governments in the county. The adopted forecast must be included in the comprehensive plan or in a document referenced by the plan.

We note that the notice provided to DLCD is from the Lane Council of Governments (LCOG), and lists the initial and final hearings on the same day. We are aware that Lane County has delegated its population projection coordination responsibility to LCOG; the cited administrative rule, however, requires adoption by the county and inclusion of, or reference to, the amendment in the comprehensive plan.

Forecast Period

The rule section cited above refers to a "coordinated 20-year population forecast," as does Statewide Planning Goal 14. We note the proposal is for a forecast to 2035 – over 27 years. If the forecast is to be used by any Lane County cities for UGB evaluations, the forecast should include interim times, such as 2028.

Forecasts

OAR 660-024-0030 also states:

(2) The forecast must be developed using commonly accepted practices and standards for population forecasting used by professional practitioners in the field of demography or economics, and must be based on current, reliable and objective sources and verifiable factual information, such as the most recent long-range forecast for the county published by the Oregon Office of Economic Analysis (OEA). The forecast must take into account documented long-term demographic trends as well as recent events that have a reasonable likelihood of changing historical trends. The population forecast is an estimate which, although based on the best available information and methodology, should not be held to an unreasonably high level of precision.

The county forecast, to which this rule applies, must be developed using "commonly accepted practices and standards." We believe the county has the option of forecasting the county population and allocating it to the cities, or forecasting each city separately and deriving a county total by summing the urban and rural forecasts. It appears the county forecast is a sum of the forecasts for each urban area plus the rural population. If this is the method used, then each individual urban area population and the total for the rural area must be forecasted using "accepted methods."

We note the proposed city forecasts are based on population estimates from Portland State University, which is generally considered a "current, reliable and objective source and verifiable factual information." However, the forecasts for individual cities do not appear to be calculated using a consistent method. For example, the 2035 forecast for several of the cities (Cottage Grove, Creswell, Oakridge, and Westfir) utilizes the 15-year trend projected forward. The forecast for Veneta, however, is based on projection of a five-year trend. Others don't appear to match either the five- or 15-year trend, and these forecasts are not explained in the materials we received. The rural population appears to be a constant, as it is the same for both the five- and 15-year trends.

If the overall county forecast is indeed a sum of the various individual forecasts, we suggest that a single, accepted method be applied consistently (recognizing the assumptions for the rural area may be different than for the cities).

Summary

The administrative rule on population forecasts, which has only been effective since April 2007, codified obligations regarding coordinated population projections. These comments are offered as assistance in successfully applying the provisions of the rule and the goal and statutes it implements. We do not object to any of the individual city forecasts. We do not necessarily find that the overall county forecast fails to satisfy rule requirements, but there is inadequate information to determine whether it is based on

“commonly accepted practices” and “objective sources and verifiable factual information.”

Thanks again for the opportunity to comment. If you have any questions, please don't hesitate to contact me at (503) 373-0050, extension 282 or gloria.gardiner@state.or.us.

Sincerely,



Gloria Gardiner
Urban Planning Specialist

cc: Kent Howe, Lane County Planning Director
Darren Nichols, Community Services Division Manager (by e-mail)
File

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December 13, 2007

TO: LCOG Board of Directors
CC: Bob Swank (via email)
FROM: Bob Parker and Beth Goodman
**SUBJECT: UPDATED POPULATION FORECASTS FOR URBAN GROWTH
BOUNDARY AREAS IN LANE COUNTY**

The Lane Council of Governments (LCOG) is in the process of coordinating updated population forecasts for Lane County. Shade Tree Properties, Inc. (Shade Tree) contracted with ECONorthwest (ECO) to conduct an independent evaluation of population forecasts for the City of Lowell based on historic growth trends. Shade Tree has also asked ECO to review and provide comments on LCOG's updated population forecast from November 2007.

This memorandum summarizes ECONorthwest's concerns with the November 2007 coordinated population forecast. A separate memorandum describes issues with the population forecast developed by the City of Lowell, which LCOG is advocating adopting as part of the coordinated population forecast for Lane County.

LANE COUNTY COORDINATED POPULATION FORECAST

Oregon counties are required to adopt and maintain a coordinated 20-year population forecast by OAR 660-024-0030. Authority to forecast population was delegated to LCOG by Lane County. LCOG last coordinated the population forecast for Lane County in 2004, developing a forecast that extended from 2000 to 2030.

LCOG has developed a new coordinated population forecast for Lane County, presented in a document titled "Population Forecasts for Urban Growth Boundary Areas in Lane County November 2007." The forecast is presented as an attachment to agenda of the December 13 meeting.

ECONorthwest has the following concerns about the forecast:

- **Lack of findings and documentation of methodology.** The forecast does not include a factual basis to support findings for the projections for any of the cities. In addition, there is little documentation about the methodology used to develop the projections. OAR 660-024-0030(2) says that "the forecast must be developed using commonly accepted practices and standards for population forecasting." In the absence of findings explaining the rationale, applying 5- or 15-year historical trends does not appear to confirm with this administrative rule. Moreover, the rationale provided for keeping the Metro area forecast

(due to size and political sensitivity) does not appear to conform with this administrative rule, nor does it appear to conform with the coordination required of ORS 195.036. The lack of findings and documentation of the methodology make it impossible to evaluate whether the forecast meets the standards set forth in OAR 660-024-0030.

- **Lack of consistency in forecasting methodology.** The forecast document indicates that one of four methods was used to develop the forecasts for each city: (1) use the forecast from the 2004 adopted forecast (the “default” figure); (2) “15 year Trend;” (3) “5 Year Trend;” or (4) city defined forecast. The forecast does not show the analysis used to develop the trend, such as the base forecast years; years included in the trend, or justification for choosing 5 and 15 year trends (rather than other periods such as 10 and 20 year trends).
- **Lack of a 20-year forecast period.** The forecast period is 2006 through 2030, a 24-year period. OAR 660-024-0030(1) requires that counties adopt and maintain a coordinated 20-year population forecast and that cities must adopt a 20-year population forecast. The forecast presents population projections for one year: 2030. Cities that want to plan for a 20-year period ending before 2035 would need to extrapolate the population forecast for the 20-year period.

ECONorthwest has assisted several Oregon counties and cities in the population coordination process (Malheur, Wasco, Jackson, Josephine, Jefferson, and Deschutes). In every instance, these counties treated the coordination process as a legislative land use decision. The forecasting process was documented, the assumptions and rationales for growth rates were incorporated into that documentation as findings, and the counties adopted the forecasts by ordinance. In short, it is not clear that cities will have a legal basis to use the forecasts for land use actions without formal action by Lane County.

These issues call into question both the assumptions and the process the Lane Council of Governments used for the coordinated population forecast for Lane County for 2006 through 2035.

GOAL ONE COALITION



Goal One is Citizen Involvement

December 13, 2007

Lane Council of Governments Board of Directors
99 East Broadway
Eugene OR 97401

RE: PROPOSED COORDINATED POPULATION PROJECTIONS

To Whom It May Concern:

The Goal One Coalition (Goal One) is a nonprofit organization whose mission is to provide assistance and support to Oregonians in matters affecting their communities. Goal One is participating in these proceedings at the request of and on behalf of its membership residing in Lane County. This testimony is presented on behalf of Goal One and its membership; LandWatch Lane County, 642 Charnelton Suite 100, Eugene, OR 97401; and LandWatch's membership in Lane County, specifically to include President Robert Emmons, 40093 Little Fall Creek Rd., Fall Creek, OR 97438, as an individual.

It has come to our attention that Lane Council of Governments (LCOG), which bills itself as a "voluntary association of local governments" is scheduled to adopt coordinated county wide population projections on December 13, 2007. We note that LCOG Board action approving these proposed projections does not authorize or enable cities to implement these projections, and that the authority for implementation of population projections lies first with the County, and subsequently with each individual city.

The authority for coordinating population projections lies with the coordinating body of each County. LCOG has relied on a 1974 Resolution adopted by the Board of Commissioner's that authorized LCOG to assume the 'coordinating authority' pursuant to ORS 197.190(1). However, population coordination did not become an element required by statute until 1995. The 1974 Board Order could not, and did not, include the intent that LCOG would act as a land use decision maker.

In addition, there is no evidence that LCOG actually exists legally as a "voluntary association of local governments," leaving open the question of whether LCOG even has the authority to be assigned as a 'coordinating body.'

ORS 195.025(4) authorizes Lane County and a majority of participating cities to delegate the county's review, advisory and coordination functions set forth in ORS 195.025 (1) to a "voluntary association of local governments."

ORS 197.015(21) defines "voluntary association of local governments":

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““Voluntary association of local governments” means a regional planning agency in this state officially designated by the Governor pursuant to the federal Office of Management and Budget Circular A-95 as a regional clearinghouse.”

The definitions in ORS 197.015 apply to ORS chapters 195 and 196 as well as to chapter 197.

OMB Circular A-95 was issued in 1969 and revoked in 1982.

Goal One has been unable to uncover any evidence that LCOG was ever designated by the Governor as a “regional clearinghouse.” If not so designated, LCOG cannot be a “voluntary association of local governments” under the ORS 197.015(21) definition.

Even if LCOG had been designated as a “regional clearinghouse,” that designation was revoked on January 10, 1979 by Executive Order No. EO-79-01, which provides, in relevant part:

“1. Except as provided in paragraphs (2) to (17) of this executive order, all prior executive orders of this office are rescinded immediately.”

No reference to any executive order pertaining to the designation of any regional clearinghouse is exempted or otherwise affected in Paragraphs (2) to (17) of EO-79-01:

LCOG is aware that questions regarding its status as a “voluntary association of local governments” have been raised in this record, but thus far has not provided the relevant documentation establishing they have said status.

PROBLEMS WITH THE PROPOSED FORECASTS and RELATED MATERIALS

- LCOG misconstrues the intent of the evidentiary hearing process by asserting that because they held their written record open for 2 months, and because they asked each city to hold local hearings, there has been adequate opportunity for citizen participation. This is just not true. The LCOG Board is comprised of the small cities who want highest population projections – ie. the LCOG Board and the small cities are one and the same. Regardless of how many weeks the written record is left open, the decision makers (LCOG Board members) do nothing more than cover one another’s backs (so long as their own individual agendas are not threatened by so doing). LCOG has no process for independent review of their staff proposals that come directly from the small city officials who they work for in their role as ‘the Board.’ Evidentiary procedures expect that initial hearings will allow for vetting of issues and opportunities to have adequate responses to citizen input provided before recommendations to the decision makers are established. LCOG Board tells LCOG staff what to do, and LCOG staff delivers directly. There has been no independent review or opportunity for vetting issues and receiving responses to questions and concerns raised by the general public. There has never been any indication that LCOG staff are expected to respond to concerns raised by the public, incorporate those concerns, and get back to their Board with updated proposals.

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- LCOG materials state they have been coordinating population forecasts since 1974. This is not true. Population forecasting rules first went into effect in 1995, and the first projections 'coordinated' by LCOG were in 1997.
- The proposed projections are not 'coordinated.' Some are based on a 5-year period (2002-2007), trended out to 2030 and 2035. Some are based on a 15-year period (1992-2007), some are based on a 20-year period (1984-2004), and one is picked out of thin air. The 5-year trend is especially egregious because it reflects recent housing market activity based solely on the recent sub-prime mortgage rate boomlet, trended out 22 years! There is no accounting for the subsequent elevated foreclosure rates and stunted housing market.
- Average Annual Growth Rates (AAGR) reflect population change OVER TIME. AAGR reflects high, low, and stable growth activity. Cities of Lowell and Veneta express that their current projection is too low because it reflects building permit inactivity. But the point of AAGR is to reflect high and low growth over time; the fact that Veneta experienced high building permit activity during the sub-prime mortgage rate boomlet period between 2002 and 2007 or so, and low building permit activity in the early 2000's as a result of water availability issues reflects change over time. If change over time was not a contributing factor in reaching AAGR based on historic trends, cities would be expected to LOWER their population projections during building permit slowdown periods, which clearly is not a consideration.
- The projections are based on each city being allowed the highest growth projection that the range of projection 'options' from LCOG allow for. In other words, where the 2030 'adopted' 2004 forecast provides the highest number of people, and/or highest AAGR, that is the 'projection' requested by cities; those that benefit most (i.e. highest projection possible) from the '15-year' 2030 forecast chose that option; and so on.
- Rather than assume a +/- error rate of .05 at the 2020-2025 and 2025-2030 projection periods as assumed in the 2004 'LCOG adopted' forecasts, the current proposal assumes a +5% error rate for the overall countywide forecast from OEA. There is nothing in the record to justify this new assumption; reliance on cities choosing what they want does not represent a coordinated projection overall.
- There has been no substantive justification for trending out to 2030 and 2035 the recent 5-year sub-prime mortgage rate and housing market boomlet. Cities stated desires to supersize their infrastructure with monies coming in from new populations from places and purposes unknown are not substantiated with factual evidence.
- It is difficult to ignore that Lowell has not agreed to any of the three options proposed by LCOG staff, and that the city believes it has the discretion to pick the population projection figure they desire based on possible new subdivision activity that isn't even substantiated. This action is not representative of coordination of overall countywide population projections.
- The proposed overall county number (OEA + 5%, out to 2035) declines over time while the city populations increase. It is easy to see in the array of charts and graphs that LCOG produced in 2004, 2006, and 2007 that the County population is 'subsidizing' the cities population increases; the built in assumption that rural Lane County population will decrease over time is not substantiated. In fact, with

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almost 400 measure 37 claims in rural Lane County that are likely to be converted to measure 49 claims, a more valid assumption would take into consideration that the County will likely experience an increase of at least 1200 new dwellings, the equivalent (using Lowell's predictions of 3 people per household) of 3600 new people in rural Lane County, over the length of the planning horizon.

- Staff asserts that a 22 year projection, projecting population out to 2030, rather than the required 20 year projection was used because OEA provides county forecasts in 5 year increments. Considering that the LCOG proposal is a huge departure from OEA projections and methodologies, it is strange to site OEA as the basis for a 22 year forecast; the need for a 22 year forecast still has not been legally substantiated.
- Staff sites transportation planning documents as the justification for a 2035 forecast, which reflects a 27 year horizon. This statement is unfounded – there has been no evidence regarding which transportation planning requirements are directing this 2035 projection, and which jurisdictions require projections beyond a 20 year planning horizon.
- These projections have not been vetted before the Eugene City Council (ECC); the ECC has a policy requiring that any/all policy decisions being made by LCOG that have implications for the City of Eugene first be presented to and considered by the ECC.
- HB3337 has not been considered by these proposed LCOG projections. HB 3337 establishes that Eugene and Springfield will have separate UGB's; this requires establishing separate ugb's, which requires reliance on an adopted population projection. This need has not been addressed by this proposal.

For these and other reasons noted throughout the record of this action, adoption of these projections by the LCOG Board should be postponed until a full, transparent analysis of the proposed projections has been undertaken.

Goal One Coalition and LandWatch Lane County request written notice of any decision made by the LCOG Board pertaining to this issue.

Respectfully submitted,


Lauri Segel
Community Planner