



TO: Clark County Council
FROM: Oliver Orjiako, Director
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DATE: March 2, 2023
SUBJECT: Issue Paper 2: Forecasting Population and Jobs

Purpose

This memorandum is intended to provide the Clark County Council background information for a discussion with its cities and towns on establishing the population and job planning assumptions for the 2025 through 2045 periodic update.

Introduction

Growth Management Act Requirements - Clark County and its cities are required to periodically review and update their comprehensive plans and development regulations. The Washington State Growth Management Act (GMA) requires that counties and cities complete a periodic update at least every ten years (RCW 36.70A.130). Clark County adopted a comprehensive plan in 1994, 2004, 2007, and 2016. The 2016 periodic update covered the timeframe for 2015-2035. RCW 36.70A.130 (5) b, requires that Clark County and its cities take action on or before June 30, 2025, to review and, if necessary, revise their comprehensive plans and development regulations to ensure the plans and regulations comply with the Growth Management Act.

Background

The purpose of the 2025 periodic update is to comply with the requirements of RCW 36.70A which includes a review and update to the county's Urban Growth Areas (UGA) as needed. The UGAs must be sized to accommodate 20 years of population and employment growth through 2045. Not only are the UGAs sized to accommodate a 20-year supply of housing, but also the full range of services that accompany urban development; such as: medical, government, institutional, commercial, service, and retail uses. In addition, this growth must be supported by the necessary infrastructure and public services. The county and its cities have identified the appropriate level of services necessary to accommodate the increase in population and jobs. Any improvements needed to maintain the level of service must be identified and programmed for funding.

The following statutes relates to GMA population projections:

RCW 43.62.035 – State project authority authorizes the Office of Financial Management (OFM) to prepare 20-year growth management (GMA) population projections for all counties in Washington every five years. The projections are developed within the framework of expected state growth and are to provide a reasonable range of high and low growth for each county. The statute also specifies the population estimates that must be used to develop the ten-year growth rates that determine which counties must comply with GMA requirements.

RCW 36.70A.110 & RCW 36.70A.115 – Authority of local jurisdictions requires that local governments shall ensure that their planning policies and regulations are consistent with OFM population projections. RCW 36.70A.040 identifies who must comply with GMA requirements.

RCW 36.70A.130 - Full updates to Comprehensive Plans and growth forecasts and associated UGA reviews are required at minimum every 10 years

RCW 36.70A. 280 – Authority of Growth Management Hearings Boards: The hearings boards have the authority to hear and determine petitions a) alleging failure to comply with the requirements of the GMA or b) claiming GMA population projections should be adjusted.

RCW 36.70A.295 – Judicial authority. Under RCW 36.70A.295 (4b), the superior court shall not have jurisdiction to directly review or modify an OFM population projection.

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Considerations in selecting countywide growth forecast and allocating them among local jurisdictions

Population

Regulations adopted by the Washington State Department of Commerce are intended to guide local governments in making population forecast and allocation decisions. Specifically, WAC 365-196-310(4) notes that GMA requires countywide forecasts to be within the OFM range, but identifies a number of factors for consideration in making

a choice within that range: (A) *Population forecasts from outside agencies, such as regional or metropolitan planning agencies, and service providers.*

(B) *Historical growth trends and factors which would cause those trends to change in the future.*

(C) *General implications, including:*

(I) *Public facilities and service implications. Counties and cities should carefully consider how to finance the necessary facilities and should establish a phasing plan to ensure that development occurs at urban densities; occurs in a contiguous and orderly manner; and is linked with provision of adequate public facilities. These considerations are particularly important when considering forecasts closer to the high end of the range. Jurisdictions considering a population forecast closer to the low end of the range should closely monitor development and population growth trends to ensure actual growth does not begin to exceed the planned capacity.*

(II) *Overall land supplies. Counties and cities facing immediate physical or other land supply limitations may consider these limitations in selecting a forecast. Counties and cities that identify potential longer term land supply limitations should consider the extent to which current forecast options would require increased densities or slower growth in the future.*

(III) *Implications of short term updates. The act requires that twenty-year growth forecasts and designated urban growth areas be updated at a minimum during the periodic review of comprehensive plans and development regulations (WAC [365-196-610](#)). Counties and cities should consider the likely timing of future updates, and the opportunities this provides for adjustments.*

(D) *Counties and cities are not required to adopt forecasts for annual growth rates within the twenty-year period, but may choose to for planning purposes. If used, annual growth projections may assume a consistent rate throughout the planning period, or may assume faster or slower than average growth in certain periods, as long as they result in total growth consistent with the twenty-year forecasts selected.*

1. Population Forecast

In determining the size of UGAs, counties are required to utilize the official population projections issued by the Washington State Office of Financial Management (OFM). These projections include three distinct ranges; low, medium, and high. The population projections are prepared for a 20-year timeframe with an incremental update every 5 years. The most recent projections by OFM for counties were released on December 20, 2022. The population projection is from 2020 to 2050. Clark County’s population for 2045 are forecasted as follows:

HIGH	791,809
MEDIUM	698,416
LOW	576,151

(Source: <http://ofm.wa.gov/pop/gma/>)

The County Vacant and Buildable Lands Model estimates that as of ? there is a countywide capacity for ? persons.

The above high, medium and low forecasts equate to approximately 1.9%, 1.3% and 0.4% annual population increases from now to 2045, respectively. Annual growth will vary from year to year, and the GMA does not require adopting a growth rate, but average annual rates are a useful way to compare the pace of growth in different areas or different timeframes. The following are provided as examples:

- Clark County, 2002-2022 annualized population growth (actual) 1.8%
- Washington, 2002-2022 annualized population growth (actual) 1.3%
- United States, 2002-2022 annualized population growth (actual) 0.8%

Seven County Portland METRO region 2018-2038 annualized population growth (forecast) 0.9%

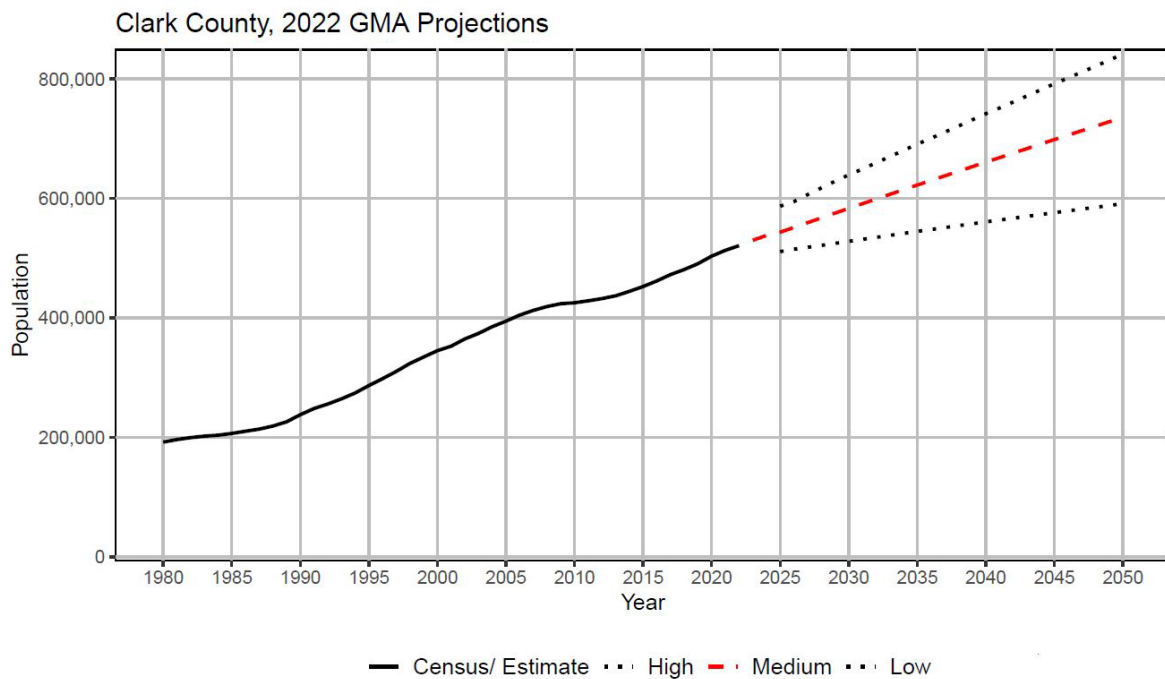
- Washington, 2022-2045 annualized population growth (forecast, OFM medium) 0.9%
- United States, 2022-2060 annualized population growth (forecast, US Census) 0.5%

In accordance with RCW 43.62.035, the **medium** range represents OFM’s most likely estimate of a county’s population. The RCW says in part: “the middle range shall represent the office’s estimate of the most likely population projection for the county”. Within each county, population planning targets for cities, towns, and unincorporated areas are worked out among the affected local jurisdictions as part of the regional, city

and county planning process. Clark County and its cities and towns have adopted the Community Framework Plan (vision for growth) and Countywide Planning Policies (CWPP) to guide the development of the 20-year plan.

Historically, the OFM medium forecast has tracked well with Clark County growth since 1990. Clark County's official total population estimate in 2022 was 520,909 persons, which is less than 1% above what OFM had projected it would most likely be five years before in its 2017 medium forecast, and less than 1% *below* what OFM had projected it would most likely be 20 years ago in its 2002 medium forecast. The OFM forecasting has performed well over the short and longer term past, and does not exhibit a trend of consistently under or overestimating growth.

Clark County growth has been driven by outside as well as internal factors. Approximately 30% of population growth experienced in Clark County over the past 20-years was attributable to local births and deaths, with the remaining 70% due to net in-migration. This trend has increased in recent years. Since 2017, births and deaths have contributed to just 13% of county population growth, and in-migration from outside Clark County has contributed to 87% of population growth.



Choosing an appropriate population projection range is extremely important. Selecting a range that is too high or too low can lead to serious problems. For example, because

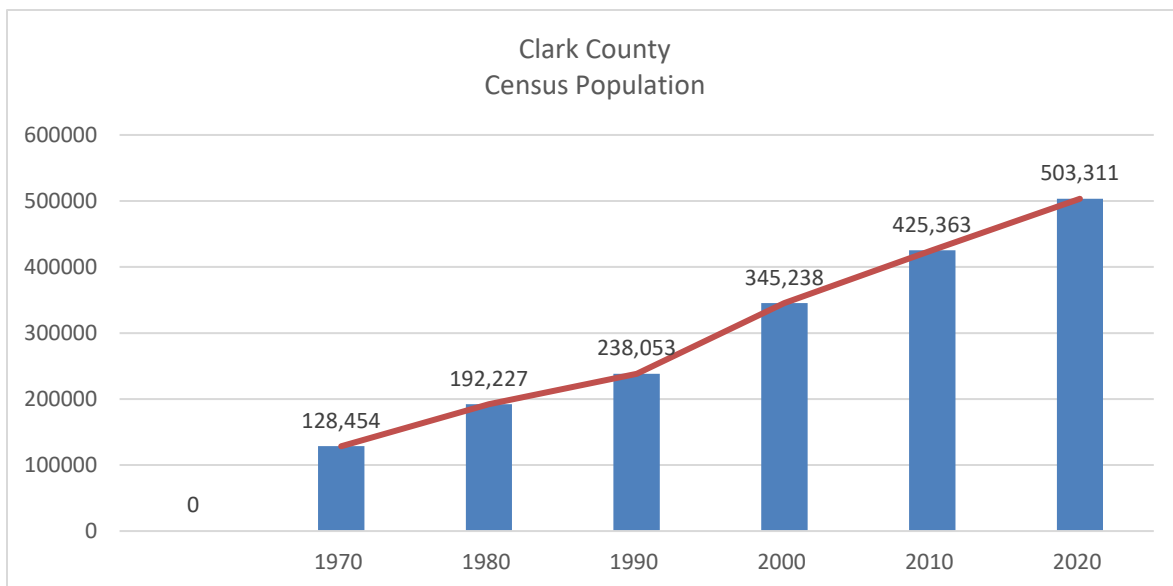
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UGAs are sized in accordance with the adopted population forecast, choosing a forecast that significantly underestimates population growth can lead to UGAs that are too small, a shortage of developable land and upward pressure on housing and land prices. Alternatively, selecting a range that significantly overestimates population growth can lead to more sprawling development patterns, require costly and unnecessary infrastructure upgrades, force the conversion of rural and resources lands, and bring Clark County closer to the day when there is no more new land left to urbanize. Because the GMA requires local governments to develop detailed funding plans for urban services, selecting a range that is too high can result in excessive and wasteful infrastructure spending.

Underestimated growth forecasts can be adjusted through mid-course corrections more easily than overestimated growth forecasts. GMA requires forecasts and UGAs to be reset every 10-years, effectively ensuring 20-year land supplies will be added to before they run out. An oversized growth forecast will result in oversized UGAs that in most cases cannot be reduced after they have been adopted.

2. Historical Growth Trends

Clark County has historically experienced healthy population growth increases; ranked as the first or second fastest growing county in the Portland/Vancouver metropolitan area. In the last decade alone, the county’s population has increased by 69 percent. The graph below shows the county’s census population from 1970 through 2020.



The current 20-year Comprehensive Plan (2015-2035) established a population forecast of 577,431 in 2035.

HB 1220 Requirements

In 2021, the Washington legislature changes the way communities are required to plan for housing. House Bill 1220 amended the Growth Management Act (GMA) to instruct local governments to “plan and accommodate” for housing affordable to all income levels. Other objectives of the bill are to promote a variety of residential densities and housing types, and encourage the preservation of existing housing stock not to change.

The bill requires jurisdictions to identify local policies and regulations that result in racially disparate impacts, displacement and exclusion in housing and to begin to undo racially disparate impacts, and exclusion in housing. The bill also requires jurisdictions identify areas at higher risk of displacement and establish anti-displacement policies including:

- Preservation of historic and cultural communities
- Investments in housing for lower income segments
- Equitable development initiatives and land disposition policies
- Inclusionary zoning and community planning requirements
- Tenant protections

Updating the housing element will be a substantial part of the periodic update to the county’s comprehensive plan and development regulations. Commerce has developed countywide housing need projections for each income band (units for moderate, low, very low, and extremely low-income households); along with projections of need for emergency housing, emergency shelters, and permanent supportive housing. The specific number of housing units in various categories to be planned for and accommodated depends on the local countywide population forecast selected, and how the population is allocated among local jurisdictions. If the OFM medium countywide forecast of 698,416 persons is selected, for example, approximately 106,000 total new housing units would need to be planned for and accommodated countywide. Approximately 36,000 of these new units would need to be affordable to households earning 50% or less of area median income (AMI), and another approximately 16,000 new units affordable in at the 50% to 80% AMI level.

To continue the example, if the OFM median countywide forecast is allocated according to the amount of vacant and buildable land estimated by the County VBLM, the required number of new housing units by income category would be as indicated below, per the Department of Commerce. Approximately 22,000 new units affordable at the 50% AMI or

below would need to be planned for and accommodated in unincorporated Clark County, a similar number in the City of Vancouver, and the remainder in the smaller cities.

Projection Year: 2045
Population Target = 698,416

	Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Temporary)	
	Total	0-30%		>30-50%	>50-80%	>80-100%	>100-120%		>120%
Countywide Estimated Housing Supply (2020)	194,005	4,570	571	16,223	60,225	37,292	28,348	46,777	490
Countywide Additional Units Needed (2020-2045)	106,933	14,500	5,221	16,533	16,228	9,392	8,898	36,160	3,408
Sum of Allocation to Jurisdictions (from User Inputs)	106,933	14,500	5,221	16,533	16,228	9,392	8,898	36,160	3,408

100.00% Met Target <-- Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares.

		Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Temporary)	
		Total	0-30%		>30-50%	>50-80%	>80-100%	>100-120%		>120%
Unincorporated	Estimated Housing Supply (2020)	83,537	1,521	30	6,297	19,123	15,439	14,952	26,175	70
Clark County	Allocation Method A (2020-2045)	46,046	6,244	2,248	7,119	6,988	4,044	3,832	15,571	1,467
Battle Ground city	Estimated Housing Supply (2020)	7,449	300	0	505	2,540	1,961	632	1,512	0
	Allocation Method A (2020-2045)	4,106	557	200	635	623	361	342	1,389	131
Camas city	Estimated Housing Supply (2020)	9,234	143	0	458	1,856	1,111	1,965	3,700	14
	Allocation Method A (2020-2045)	5,090	690	249	787	772	447	424	1,721	162
La Center city	Estimated Housing Supply (2020)	1,248	37	0	116	195	254	189	458	0
	Allocation Method A (2020-2045)	684	93	33	106	104	60	57	231	22
Ridgefield city	Estimated Housing Supply (2020)	3,688	38	0	107	489	924	630	1,501	0
	Allocation Method A (2020-2045)	2,032	276	99	314	308	178	169	687	65
Vancouver city	Estimated Housing Supply (2020)	81,809	2,280	541	7,950	34,146	16,359	8,980	11,554	406
	Allocation Method A (2020-2045)	45,094	6,115	2,202	6,972	6,844	3,961	3,752	15,249	1,437
Washougal city	Estimated Housing Supply (2020)	6,444	242	0	677	1,641	1,119	967	1,799	0
	Allocation Method A (2020-2045)	3,550	481	173	549	539	312	295	1,201	113
Woodland city	Estimated Housing Supply (2020)	55	4	0	7	15	10	7	12	0
	Allocation Method A (2020-2045)	32	4	2	5	5	3	3	11	1
Yacolt town	Estimated Housing Supply (2020)	541	5	0	108	221	116	27	66	0
	Allocation Method A (2020-2045)	299	41	15	46	45	26	25	101	10

Employment

WAC 365-196-310(4) states:

iv) Selection of a county-wide employment forecast. Counties, in consultation with cities, should adopt a twenty-year county-wide employment forecast to be allocated among urban growth areas, cities, and the rural area. The following should be considered in this process:

(A) The county-wide population forecast, and the resulting ratio of forecast jobs to persons. This ratio should be compared to past levels locally and other regions, and to desired policy objectives; and

(B) Economic trends and forecasts produced by outside agencies or private sources.

(v) Projections for commercial and industrial land needs. When establishing an urban growth area, counties should designate sufficient commercial and industrial land. Although no office of financial management forecasts are available for industrial or commercial land needs, counties and cities should use a county-wide employment forecast, available data on the current and projected local and regional economies, and local demand for services driven by population growth. Counties and cities should consider establishing a county-wide estimate of commercial and industrial land needs to ensure consistency of local plans.

Counties and cities should consider the need for industrial lands in the economic development element of their comprehensive plan. Counties and cities should avoid conversion of areas set aside for industrial uses to other incompatible uses, to ensure the availability of suitable sites for industrial development.

Next Steps

Once the countywide population and job forecast numbers are determined, the next step is to collaborate with the cities in setting the population and job planning assumptions (allocation) for each jurisdiction and return to the Clark County Council. The employment and household forecasts are based on the population projection.

