



April 14, 2023

Chair Bowerman, and Councilors Yung, Belkot, Medvigy and Marshall:

RE: City of Vancouver comments for April 18 County Council public hearing, in support of adoption of Office of Financial Management (OFM) medium and most likely 20-year countywide population forecast.

Thank you for the opportunity to comment on this key decision which impacts the future of all our communities. Washington's Growth Management Act (GMA) requires adopting a 20-year population forecast total and corresponding 20-year land supplies to accommodate it. The forecast decision and associated land supply will greatly influence the amount of long-term growth and the type of growth that occurs in Clark County over the next two decades, not just predict it. The GMA Hearing Boards have formally recognized forecast adoptions as policy choices as well as technical determinations.¹

Growth provides both challenges and opportunities, and a technically sound approach that carefully considers impacts and allows for future adjustment is needed in our view. The City of Vancouver recommends adoption of the OFM medium forecast of 698,416 persons in 2045 for the following reasons:

- **OFM estimates that the medium forecast is the most likely to occur, and they have a track record of accurate long-term forecasting for Clark County, and statewide.** OFM has provided forecasts since the advent of GMA, during periods of recession and pandemic, and periods without major disruption. As discussed in detail at the March 28 informational meeting, OFM uses a peer reviewed, statewide econometric model. [Per comparisons on the County website](#), OFM's 2002 Clark County medium and most likely forecast proved to be only 1.3% *above* the 2020 actual population. By comparison the 2002 OFM high forecast for 2020 was 11.9% too high, approximately nine times less accurate than the medium forecast. While there may be specific instances in which OFMs forecast for an individual year or even five-year period was off, we are aware of no instances when its local long-term forecast, which is what drives local Comprehensive Plans, was significantly inaccurate.²

¹ *Karpinski et al v. Clark County*, Case No. 07-2-0027 (Amended FDO (June 3, 2008) at 11-13.

² In its most recent forecast that can be tested from 2017, the OFM medium forecast was only 0.8% off from the 2020 actual, and approximately 10 times more accurate than the high forecast.

- **The medium forecast is already being used by other agencies, and is recommended for use in this process by the Cities.** RTC currently uses the 2045 medium forecast for long term transportation planning. The medium forecast is supported by local mayors for use in the Comprehensive Plan update, and it was the informal consensus choice among City, County, and other agency planning staff in January 2023 Technical Coordinating Committee discussion.
- **The medium forecast accommodates ample growth, approximately as large an increase in population as occurred in Clark County in the past, and much larger increases in housing and especially in affordable housing units than in the past.** It accommodates an increase of about 178,000 persons from 2022 to 2045, similar to the 186,000 person increase over the prior 23 years. Under new GMA mandates to address housing shortages summarized on slide 17 of the [County hearing presentation](#), it would require accommodating 107,000 additional housing units, more than were built countywide over the past 30 years. It would require accommodating 36,000 housing units affordable at 50% median income or less, almost twice as many currently exist countywide in total, an inventory that has been built up over generations.
- **The medium forecast anticipates slowing in the rate of population increase, which is consistent with documented trends, and local conditions.** The medium forecast equates to 1.3% average annual population growth, while over the past 20 years Clark County has grown at an average of 1.8% per year.³ OFM has indicated declining birthrates and the aging of the baby boom will likely lower the rate of natural increase, and that lingering impacts from the pandemic will continue to slow in-migration in the next few years before it recovers. The aging national population will also likely dampen in-migration, noted in this 2022 [Forbes article](#) which found that “In general, older people were far less likely to move than younger people and most of their moves were short distances within the same county, especially for those 85 years and older”. As also noted by County staff at the April 5 workshop, it is simply mathematically harder to sustain high rates of increase as the baseline population grows.

Conditions on the ground in Clark County also point to a slowing in the rate of population increase over the next 20 years. In the past there were more abundant supplies of flat, unencumbered developable land, and rapid growth was facilitated by major new freeway and roadway projects of the late 20th and early 21st century that extended into those areas. Projects such as the I-205 freeway, Padden Parkway and 192nd Avenue facilitated growth well after their initial construction, and may continue to facilitate some in the future, but at lower levels. Major new roadway projects extending into developable areas on this scale are far less likely over the next 20 years.

³ Calculating average annual rates requires accounting for compounding. A [recent submittal](#) to the hearing record did not do this, mistakenly stating that countywide growth in the past decade averaged “over 2%”, when in fact it was below.

- **The medium forecast can be adjusted upward in the short term if needed, but higher forecasts cannot realistically be adjusted downward at any time.** GMA requires 20-year forecasts and land supplies to be updated at least every 10 years, and allows them to be increased sooner by local choice if needed, as Clark County did in 2007 after only three years. Higher forecasts and corresponding land supplies cannot be realistically decreased at any time, because as explained by Department of Commerce officials at the January 19 Kick-off to this process, once UGAs are set they are almost impossible to reduce.

Adopting a high or higher forecast is not only effectively irreversible but its consequences are both significant and likely to be felt early in the update cycle. 20-year land supplies are required to be provided at the time of initial adoption, facilitating potential rapid growth in the early years. Detailed capital facilities plans that identify specific needs and funding must be adopted for the first six years, so jurisdictions may be forced to prioritize projects to accommodate new growth driven by higher forecasts, at the expense of other projects addressing existing needs.

- **The medium forecast would better address concerns over the balance of jobs to housing countywide.** All forecast options would require additional employment for the additional population, but the high forecast would add 93,000 people *more* than the medium, creating a need for potentially 30,000 to 40,000 more jobs *beyond* what the medium forecast would require just maintain the current ratio of jobs to housing, let alone improve it.

- **The medium forecast would result in less demand and crowding of public facilities and services than higher forecasts, and lower capital facilities costs.** All forecast options would result in additional demands and cost associated with capital facilities and services, but the high forecast would require serving 93,000 more people *and* 30,000 to 40,000 *more* jobs than the medium forecast would, which is more than the current population and employment levels of all the small cities *combined*. Impacts will be felt in terms of added service demand and use of roads, schools, and other facilities, as well as added costs.

Adopting a high or higher population forecast and increasing land supply does not better plan for future capital facilities. If there are concerns that population growth may outstrip future facilities, conservatism can be built into capital facilities plans by formally assuming there will be faster than average growth during the 6-year capital facilities period, something Clark County formally did in its 2007 Comprehensive Plan. Further conservatism can be built into capital facilities plans by assuming higher facility costs or usage rates per person. GMA allows flexibility in capital facilities planning.

- **The medium forecast better positions our communities to address the housing affordability crisis over the long term than higher forecasts.** As noted, adopting the median forecast would require accommodating more housing units in the next 20 years than were built in the last 30 years, and almost twice as many very affordable housing units as have been built and retained in countywide history. While it is tempting to attempt to generate even more housing, local history suggests higher forecasts and large UGA expansions will not necessarily improve affordability. The 2007 Clark County Comprehensive Plan adopted a higher than medium population forecast and the expanded UGAs by 19 square miles, only to see countywide

housing costs then increase twice as fast as statewide during the period until the next local update in June 2016.⁴

This likely reflects that housing prices are influenced by labor and material costs and availability, financing costs, fees, housing demand, and other factors in addition to land costs. It also likely reflects that large expanses of exclusively 7,500 to 10,000 square feet or larger single family lots do not materially improve countywide affordability. Adopting higher forecasts now will likely require large UGA expansions far from cities, which are more likely to be developed at inefficient densities with less integration of smaller single-family lots, multi-family housing or affordable housing projects needed to address the affordability crisis. Based on past local experience, when large UGA expansion are added at the periphery, there is not time prior to adoption deadlines to adequately plan for zoning designations, densities and use mixes, services, and other needs within the large new areas. Housing affordability will be better served by efficient growth in this update cycle within existing lands that already have services, or through small UGA expansions that can be properly planned. This can and should then be followed with similar incremental and considered efforts in future periodic review cycles or sooner if needed, rather than attempting a fell swoop to maximize growth now.

- **The medium forecast better recognizes that Clark County has a finite and diminishing amount of long-term land to develop, and any lands converted to urban development in this update cycle will leave fewer options for urban development or rural and resource uses in future update cycles.** The issue of needing to consider remaining land and future update cycles not only has implications for the rural area, but for urban growth as well. Once countywide long term build out is reached, either by developing all developable land, or preferably by retaining important rural and resource lands, urban development will continue only through infill or redevelopment, and the rate of growth on average will be forcibly lower. Attempting to pursue fast rates of increase in this update cycle when experts predict a modest leveling is not only poor planning in our view with various negative consequences, it is mathematically unsustainable over the longer term and will require more abrupt slowing in the future.

Thank you again for the opportunity to comment. We appreciate the County Council's recent inquiries about some of the specific components of OFM modelling, and if more time is needed it can be taken. None of us, however, have the technical expertise in econometric modelling to realistically substitute our judgement for OFM's, particularly given their proven track record in making 20-year forecasts.

OFM's medium and most likely forecast in this case provides for ample population growth, and would require accommodating more housing and much more affordable housing than has been

⁴ 16% increase in Clark County median sales price vs 8% statewide, 2008Q1 to 2016Q2 per Washington Center for Real Estate Research Housing Market Reports [Reports and Resources | \(uw.edu\)](#). 2007 reports were not available

built in the past. Most importantly, the medium forecast can also be increased in the future if needed.

We respectfully advise against adopting a higher forecast, as doing so will likely produce negative impacts and would be effectively an irreversible decision. This is the case with the high end of the forecast and a forecast somewhere between the medium and high end, similar to what was adopted by the County in 2007 with problematic results.

Sincerely

A handwritten signature in cursive script that reads "Anne McEnery-Ogle". The signature is written in black ink and is positioned above the printed name.

Mayor Anne-McEnery-Ogle
City of Vancouver