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From: Tweet <tweetfamily@comcast.net>
Sent: Wednesday, May 25, 2016 1:48 PM
To: Cnty 2016 Comp Plan
Cc: Madore, David, Mielke, Tom, Stewart, Jeanne, Olson, Julie (Councilor), Boldt, Marc
Subject: Fwd: For the record Clark County Comprehensive Plan update 2016- article link included

<http://www.demographia.com/db-dhi-econ.pdf>

This is the link to the article quoted in the email below Margaret Tweet

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Sent: Wednesday, May 25, 2016 12:46:52 PM
Subject: For the record Clark County Comprehensive Plan update 2016

Submitted by Margaret Tweet, 2715 NW 34th Circle, Camas, WA Please confirm receipt

According to the summary provided at the public hearing page 13

"...urban growth areas are only expanding slightly..." in this 2016 Comprehensive plan update.

Is the county population only expanding slightly? Realistic growth rates such as were adopted in 3 resolutions in 2015 must be used for this plan so that affordable housing can be developed that plans for realistic growth.

In Portland, affordable housing is difficult to find. Excerpts from an article reviewing the impact of highly restrictive land use regulations in Portland follow.

"It is a fundamental principle, that all things being equal, that limiting the supply of a good or

service is likely to lead to higher prices. This is a particularly important relationship in housing,

because of the adoption of much stronger land use regulations ("prescriptive land use regulation") around the world. Generally, research associates higher house prices with the implementation and enforcement of stronger land use regulations.

Prescriptive land use regulations include measures such as urban growth boundaries, large areas

declared off-limits to development, building moratoria, population limits, unit construction

limits, expensive unprecedented impact fees, excessively large minimum lot sizes and other restrictive strategies. Prescriptive land use regulation allows development only prescribed under strict conditions that are consistent with stringent land use plans and policies. These policies are referred to as "smart growth," (also called "livability," "compact development," "urban containment," and in Australia, "urban consolidation"). Smart growth generally places restrictions on the supply of new housing and are associated with higher house prices and a reduced volume of house construction. The alternative to prescriptive land use regulation is responsive land use regulation, which allows development to respond to the market as reflected in the preferences of people and businesses (and subject to reasonable environmental and health regulation)."

(5) The Principle of Competitive Land Supply

Economist Anthony Downs of the Brookings Institution has indicated the importance of maintaining the "principle of competitive land supply" (Downs 1994, p. 38). Downs notes: If a locality limits to certain sites the land that can be developed within a given period, it confers a preferred market position on those sites. In economists' terminology, any such limitation shifts the demand curve for developable land upward and to the left, raising land prices. If the limitation is stringent enough, it may also confirm a monopolistic powers on the owners of those sites, permitting them to raising land prices substantially.

This is illustrated by the experience of Portland, Las Vegas and Phoenix (Cox 2011a).Portland:

Severe house price escalation occurred in Portland after the regional land use authority(Metro) failed to expand the urban growth boundary sufficiently to handle demand. Phillips and Goodstein (2000) cited research by Metro indicating that residential land at the edge, but inside the urban growth boundary averaged nearly seven times the value per acre of residential land just beyond the urban growth boundary (Phillips and Goodstein 2000). Later research Portland indicated that land on which development is permitted inside the urban growth boundary tended to be 10 times as valuable per acre as land immediately outside the urban growth boundary, on which development was not permitted (Mildner 2009). The author's more recent examination of

Prescriptive Land Use Regulation (Smart Growth)

& Higher House Prices The Association

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all developable parcels in Portland's Washington County indicated that the difference had increased to 11 times (Cox 2011a).

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In 1980, the urban growth boundary encompassed an area equal to 23 percent of urban footprint.

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By 1990, this had fallen to 12 percent, and then to six percent by 1995. By 2000, the land inside the urban growth boundary was less than one percent relative to the urban footprint.

As the available land inside the urban growth boundary diminished, Portland experienced the largest housing affordability loss among major metropolitan areas during the 1990s (Cox 2002). By the end of the 1990s, the gap between the urban growth boundary and the urban area (reflective of developable land on the fringe) had dropped by more than 95 percent from 1980 (Cox 2011a), as Metro (the regional land use agency) had failed to provide expansions sufficient to meet the demand. For the first time since World War II, Portland house prices exceeded a 3.0 Median Multiple (median house price divided by median household income)

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and by the peak of the bubble (2007) Portland house prices had escalated a further 90 percent relative to household incomes, to 5.4. Before the middle 1990s, Portland's housing affordability had been similar to that of responsive housing markets. From 1980 to 1995, Portland's Median Multiple averaged 2.5, just below the average of the responsive markets, at 2.6. The highest Median Multiple in Portland during that period was in 1994, at 3.1. The highest responsive market Median Multiple over the same period was 2.8, which Portland had equaled or exceeded in only one year until 1994.

Moreover, it is possible that Portland's house price increases were moderated by the more liberal land use regulations in the portion of the metropolitan area in the state of Washington (This includes the municipality of Vancouver as well as Clark and Skamania counties).

Portland's house price escalation continued into the 2000s, as house prices escalated during the bubble to a 5.4 Median Multiple in 2007, 70 percent above the responsive market average of 3.2.

As of 2010, Portland house prices remained 50 percent above the responsive market Median Multiple.

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